



INTERIM REPORT 2025

Cathay Pacific Airways Limited
Stock Code: 00293



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Corporate Information

Cathay Pacific Airways Limited is incorporated in Hong Kong with limited liability.

Investor relations

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CATHAY PACIFIC AIRWAYS LIMITED

(the “Company”) was founded in Hong Kong in 1946. It has been deeply committed to its home base for close to eight decades and remains so, making substantial investments to develop Hong Kong as one of the world’s leading international aviation centres. The Company and its subsidiaries (“Cathay”, the “Cathay Group” or the “Group”) offer products and services across four principal lines of business – Cathay Pacific, Cathay Cargo, Lifestyle and Hong Kong Express Airways Limited (“HK Express”).

As at 30th June 2025, Cathay Pacific and HK Express combined offered scheduled passenger services to more than 100 destinations worldwide, including 22 in the Chinese Mainland. Furthermore, the Group serves an additional 155 passenger destinations through codeshare agreements. Cathay Pacific is a founding member of the **oneworld** global alliance, whose combined network serves more than 900 destinations worldwide.

As at 30th June 2025, Cathay Cargo offered scheduled freighter services to 41 destinations worldwide, in addition to utilising belly capacity on the Group’s passenger flights. AHK Air Hong Kong Limited (“Air Hong Kong”) offered scheduled and charter freighter services to 16 destinations.

The Group had 234 aircraft as at 30th June 2025 and has 93 new passenger and freighter aircraft on order.

The Company had 179 passenger and cargo aircraft as at 30th June 2025. HK Express, a low-cost airline based in Hong Kong offering scheduled services within Asia, is a wholly owned subsidiary of the Company and had 41 aircraft as at 30th June 2025. Air Hong Kong, an express all-cargo carrier offering scheduled and charter services in Asia, is a wholly owned subsidiary of the Company operating 14 aircraft as at 30th June 2025.

The Group’s other businesses include its catering, laundry, ground-handling and cargo terminal companies.

As at 30th June 2025, the Company owned 15.09% of Air China Limited (“Air China”), the national flag carrier and a leading provider of passenger, cargo and other airline-related services in the Chinese Mainland.

As at 30th June 2025, the Group owned an equity interest totalling 21.01% of Air China Cargo Co., Ltd. (“Air China Cargo”), which is a leading provider of air cargo services in the Chinese Mainland.

The Cathay Group’s corporate headquarters are located at Hong Kong International Airport. As at 30th June 2025, the Cathay Group employed more than 32,200 people worldwide, of whom around 27,300 were employed in Hong Kong. Shares of the Company are listed on The Stock Exchange of Hong Kong Limited, as are the shares of its substantial shareholders Swire Pacific Limited (“Swire Pacific”) and Air China.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Group Financial Statistics

		2025	2024	
		Six months ended 30th June		Change
Results				
Revenue	HK\$ million	54,309	49,604	+9.5%
Profit attributable to the shareholders of the Cathay Group	HK\$ million	3,651	3,613	+1.1%
Earnings per ordinary share				
– basic	HK cents	56.7	52.4	+8.2%
– diluted	HK cents	54.8	47.0	+16.6%
Dividend per ordinary share	HK cents	20	20	–
Profit margin	%	6.7	7.3	-0.6%pt
		30th June	31st December	
Financial position				
Funds attributable to the shareholders of the Cathay Group	HK\$ million	51,654	52,500	-1.6%
Net borrowings ^(a)	HK\$ million	56,342	57,941	-2.8%
Available unrestricted liquidity	HK\$ million	21,504	19,073	+12.7%
Ordinary shareholders’ funds per ordinary share	HK\$	8.0	8.2	-2.4%
Net debt/equity ratio ^(a)	Times	1.09	1.10	-0.01 times

Operating Statistics

		2025	2024	
		Six months ended 30th June		Change
The Company				
Available tonne kilometres (ATK)	Million	13,699	11,822	+15.9%
Revenue tonne kilometres (RTK)	Million	9,701	8,214	+18.1%
Cost per ATK (with fuel) ^(b)	HK\$	3.28	3.42	-4.1%
Fuel consumption per million ATK	Barrels	1,321	1,286	+2.7%
Fuel consumption per million RTK	Barrels	1,864	1,851	+0.7%
Cost per ATK (without fuel) ^(b)	HK\$	2.30	2.32	-0.9%
ATK per HK\$'000 staff cost	Unit	1,852	1,903	-2.7%
ATK per employee	'000	552	573	-3.7%
Aircraft utilisation	Hours per day	10.8	9.0	+20.0%
Average age of fleet	Years	12.3	11.5	+0.8year
Cathay Pacific				
Available seat kilometres (ASK)	Million	66,792	52,881	+26.3%
Revenue passenger kilometres (RPK)	Million	56,651	43,583	+30.0%
Passenger revenue per ASK	HK cents	51.2	56.8	-9.9%
Revenue passengers carried	'000	13,627	10,660	+27.8%
Passenger load factor	%	84.8	82.4	+2.4%pt
Passenger yield	HK cents	60.4	68.9	-12.3%
On-time performance (passenger)	%	79.9	75.3	+4.6%pt
Cathay Cargo				
Available freight tonne kilometres (AFTK)	Million	7,336	6,788	+8.1%
Revenue freight tonne kilometres (RFTK)	Million	4,302	4,063	+5.9%
Cargo revenue per AFTK	HK\$	1.52	1.61	-5.6%
Cargo carried	'000 tonnes	801	719	+11.4%
Cargo load factor	%	58.6	59.9	-1.3%pt
Cargo yield	HK\$	2.59	2.68	-3.4%
HK Express				
Available seat kilometres (ASK)	Million	8,810	6,370	+38.3%
Revenue passenger kilometres (RPK)	Million	6,947	5,415	+28.3%
Passenger revenue per ASK	HK cents	34.1	46.9	-27.3%
Revenue passengers carried	'000	3,791	2,839	+33.5%
Passenger load factor	%	78.9	85.0	-6.1%pt
Passenger yield	HK cents	43.2	55.1	-21.6%
On-time performance	%	87.1	78.5	+8.6%pt

(a) Adjusted net borrowings and the net debt/equity ratio excluding leases without asset transfer components are HK\$44,820 million (2024: HK\$47,097 million) and 0.87 (2024: 0.90) respectively.

(b) Cost per ATK represents total operating costs divided by ATK for the period.

Fleet Profile^(a)

Aircraft type	Number at 30th June 2025					Orders ^{(c)(h)}				Expiry of leases without asset transfer ^(b)					
	Owned	Leased ^(b)		Total	Average age	'25	'26	'27 and beyond	Total	'25	'26	'27	'28	'29	'30 and beyond
		With asset transfer	Without asset transfer												
The Company (Passenger aircraft):															
A321/A320-200neo	5	6	5	16	2.6		3 ^(d)	11 ^(d)	14						5
A330-300	39		4	43	16.8					2	1		1		
A330-900								30	30						
A350-900	20	8	2	30	7.2								2		
A350-1000	11	7		18	5.6										
777-300	17			17	23.2										
777-300ER	26		9	35	12.7						2	1			6
777-9								21	21						
The Company (Freighter):															
A350F								6	6						
747-400ERF	6			6	16.5										
747-8F	12	2		14	12.4										
Total of the Company	136	23	20	179	12.3	–	3	68	71	2	3	1	3	–	11
HK Express:															
A320-200	3 ^(e)		3	6	17.3								2	1	
A320-200neo			10	10	6.3		2 ^{(d)(f)}	6 ^{(d)(f)}	8				2	2	6
A321-200	2 ^(e)		11	13	9.9					1	2				8
A321-200neo	5 ^(e)	7 ^(e)		12	1.2	4	3 ^{(d)(f)}	7 ^{(d)(f)}	14						
Total	10	7	24	41	7.6	4	5	13	22	1	2	–	4	3	14
Air Hong Kong ^(g) :															
A330-243F			4	4	11.4						2				2
A330-300P2F			10	10	13.7						3		4	3	
Total	–	–	14	14	13.1	–	–	–	–	–	5	–	4	3	2
Grand total	146	30	58	234	11.5	4	8	81	93	3	10	1	11	6	27

(a) The table does not reflect aircraft movements after 30th June 2025.

(b) Leases without asset transfer components are accounted for in a similar manner to leases with asset transfer components under accounting standards. The majority of leases without asset transfer components in the above table are within the scope of HKFRS 16 Leases ("HKFRS 16").

(c) The Group believes that based on its available unrestricted liquidity as at 30th June 2025, as well as its ready access to both loan and debt capital markets, it will have sufficient financing capacity to fund this material investment in the fleet.

(d) Final number subject to reallocation between the Company and HK Express.

(e) The aircraft are sub-leased to HK Express from the Company.

(f) Final split between Airbus A320-200neo and A321-200neo is subject to adjustment in accordance with future operational requirements.

(g) The contractual arrangements relating to the freighters operated by Air Hong Kong do not constitute leases in accordance with HKFRS 16.

(h) The Group also has the right to acquire 103 additional aircraft.

CHAIR'S STATEMENT

I am pleased with our solid financial performance and other achievements in the first half of 2025, especially within the context of what has been an uncertain business environment. Over the past few years, we have built a strong foundation that has made us more resilient than ever before. This has enabled us to navigate through the uncertainty, and continue expanding our network for Hong Kong and elevating the experience for our customers.

As a Group, our passenger airlines Cathay Pacific and HK Express have launched or announced 19 new destinations so far in 2025, with more to come. We now fly to more than 100 passenger destinations globally, a meaningful milestone that exemplifies the strong connectivity our home hub has with the world. All our available aircraft are now fully resourced and flying. The record-high levels of recruitment seen in recent years are now behind us, and our recruitment and training levels are in a steady state in line with our growth plans.

I am also proud to share that our efforts have been recognised in renowned industry rankings and awards this year. Notably, Cathay Pacific has been named one of the Top 3 world's best airlines, along with having the world's best Economy class and inflight entertainment according to Skytrax. Meanwhile, Cathay Cargo was named Cargo Operator of the Year by Air Transport World (ATW), and HK Express has been named one of the Top 5 world's best low-cost airlines by Airline Ratings.

Performance of the Cathay Group

The Cathay Group, including airlines, subsidiaries and associates, reported an attributable profit of HK\$3,651 million in the first half of 2025 (2024 first half: profit of HK\$3,613 million). The earnings per ordinary share in the first half of 2025 were HK56.7 cents (2024 first half: earnings per ordinary share of HK52.4 cents).

Our airlines and subsidiaries, excluding exceptional items, reported an attributable profit of HK\$3,832 million in the first half of 2025 (2024 first half: profit of HK\$3,846 million). The results from associates, the majority of which are recognised three months in arrears, reflected an attributable loss of HK\$181 million (2024 first half: loss of HK\$342 million).

Our first-half result was driven by higher passenger volumes albeit with lower yields, a consistent cargo performance, and lower fuel price compared with the same period in 2024. This result has allowed us to announce a first interim dividend payment to ordinary shareholders of HK20 cents per ordinary share, totalling HK\$1,288 million. This will be paid on 9th October 2025 to ordinary shareholders registered at the close of business on the record date, 5th September 2025. Ordinary shares of the Company will be traded ex-dividend as from 3rd September 2025.

In early January 2025, we repurchased approximately 68%, or HK\$4,558 million of the HK\$6,722 million 2.75% guaranteed convertible bonds due 2026, which were issued in February 2021. The outstanding principal amount of the bonds is HK\$2,164 million. The buyback reflects our confidence in our long-term business prospects.

As at 30th June 2025, our available unrestricted liquidity balance was HK\$21,504 million.

Performance of our four lines of business

In the first half of 2025, Cathay Pacific's passenger revenue increased by 14.0% to HK\$34,208 million compared with the same period in 2024. Available seat kilometres (ASK) increased by 26.3%, while traffic, measured in revenue passenger kilometres (RPK) increased by 30.0%. Cathay Pacific carried a total of 13.6 million passengers in the first half of 2025, an average of 75,300 per day, which was 27.8% more than the same period in 2024. Load factor was 84.8% compared with 82.4% in the first half of 2024, and yield decreased by 12.3% to HK60.4 cents as more capacity was added to the market.

Cathay Cargo's revenue in the first half of 2025 increased by 2.2% to HK\$11,141 million. Available freight tonne kilometres (AFTK) increased by 8.1%. Traffic, measured in revenue freight tonne kilometres (RFTK), increased by 5.9%. Total tonnage increased by 11.4% to 801 thousand tonnes. Load factor was 58.6% compared with 59.9% in the first half of 2024, and yield decreased by 3.4% to HK\$2.59. Despite the uncertainties caused by tariffs and changes to the de minimis exemption, our cargo business demonstrated resilience. We have been able to leverage our global network and redeploy capacity to take advantage of areas where the markets are still strong, helping us to continue contributing to the cargo tonnage throughput at Hong Kong International Airport.

Our Lifestyle business continues to grow, as does our active Cathay membership base. We also continue to develop other areas of the business such as payment, insurance, and lifestyle partnerships, as well as our own Cathay Holidays and Cathay Shop.

With the increase in flying, overall costs for the Cathay Group before subsidiaries and associates increased compared with the first half of 2024. Non-fuel costs for the first half of 2025 increased by 14.9% to HK\$31,552 million compared with the same period in 2024. Net fuel costs increased by HK\$452 million (or 3.5%) compared with the first half of 2024.

Our wholly owned low-cost carrier HK Express's passenger revenue was HK\$3,004 million, a similar level to the first half of 2024. Available seat kilometres (ASK) increased by 38.3%, while traffic, measured in revenue passenger kilometres (RPK) increased by 28.3%. HK Express carried a total of 3.8 million passengers in the first half of 2025, an average of 20,900 per day, which was 33.5% more than the same period in 2024. Load factor was 78.9% compared with 85.0% in the first half of 2024, and yield decreased by 21.6% to HK43.2 cents.

HK Express reported a loss before net finance charges and taxation of HK\$524 million for the first half of 2025 (2024 first half: profit before net finance charges and taxation of HK\$66 million). This was driven by temporary changes in customer preferences away from traditionally strong destinations such as Japan due to earthquake rumours, in addition to new routes being launched that will take time to mature.

Performance of other subsidiaries and associates

Air Hong Kong reported a profit before net finance charges and taxation of HK\$474 million for the first half of 2025 (2024 first half: profit before net finance charges and taxation of HK\$488 million). Its results have been consistently solid and stable.

Results from our airline services subsidiaries improved in the first half of 2025 compared with the same period in 2024 as more capacity was added to the market.

Results from associates, recognised three months in arrears, improved compared with the first half of 2024. The improved results were mainly attributable to enhancements in Air China's yield management and cost control and Air China Cargo's business expansion.

Outlook

We remain fully confident in and committed to the Hong Kong international aviation hub, demonstrated by our investments totalling well over HK\$100 billion in our fleet, cabin and lounge products, and digital innovation.

Looking ahead, travel demand for Cathay Pacific remains robust and we will continue to add more flights and destinations for our customers, in addition to introducing more customer experience enhancements.

Regarding Cathay Cargo, uncertainty in the market environment remains and we will stay vigilant and agile, while continuing to serve demand where it arises. In parallel, we will continue to strengthen our special solutions, digital capabilities and sustainability leadership to position us for future growth.

HK Express continues to face short-term challenges. We have seen a pickup in bookings to Japan, though they are yet to return to normal levels. The airline has expanded quickly to exciting new destinations. These routes will take time to mature, however our customers have responded well to them initially. We are taking a long-term view and a path to profitability can be expected for the low-cost carrier as it continues to grow, increase its efficiencies, and further strengthen its fundamentals.

CHAIR'S STATEMENT

Appreciation

I would like to express my sincere gratitude to all of our customers and our people at Cathay. The support of our customers and the commitment to excellence of our global teams has been instrumental as we continue to take Cathay to new heights and strengthen Hong Kong's status as a leading international aviation hub.

Patrick Healy

Chair

Hong Kong, 6th August 2025

REVIEW OF OPERATIONS

Cathay Pacific

Cathay Pacific is the Group's premium, full-service airline and the home carrier of Hong Kong. Cathay Pacific's strategic vision is to be the world's best premium airline, underpinned by our purpose to move people forward in life.

In the first half of 2025, Cathay Pacific maintained its focus on adding more flights and destinations for customers, including launching passenger services to Hyderabad, Dallas Fort Worth, Urumqi, Rome and Munich, and increasing frequencies elsewhere in its global network. The airline also elevated the customer experience with cabin and lounge enhancements, including reopening The Bridge at Hong Kong International Airport (HKIA), and new dining collaborations.

Passenger revenue increased by 14.0% to HK\$34,208 million in the first half of 2025 compared with the same period in 2024, while revenue passenger kilometre (RPK) traffic increased by 30.0%. Cathay Pacific carried 13.6 million passengers in the first half of 2025, an average of 75,300 passengers per day and 27.8% more than the same period in 2024. Available seat kilometres (ASK), increased by 26.3%. Load factor increased by 2.4 percentage points to 84.8%, while yield decreased by 12.3% to HK60.4 cents.

Available seat kilometres (ASK), load factor and yield change by region for Cathay Pacific passenger services for the first half of 2025 were as follows:

	ASK (million)			Load factor (%)			Yield
	2025	2024	Change	2025	2024	Change	Change
Americas	19,888	14,671	+35.6%	88.4	89.3	-0.9%pt	-17.5%
Southeast Asia and Oceania	17,492	14,466	+20.9%	82.5	77.2	+5.3%pt	-10.7%
North Asia	12,479	10,609	+17.6%	78.5	75.3	+3.2%pt	-14.3%
Europe	12,055	9,682	+24.5%	88.5	88.5	–	-1.5%
South Asia, Middle East and Africa	4,878	3,453	+41.3%	85.7	80.0	+5.7%pt	-9.0%
Overall	66,792	52,881	+26.3%	84.8	82.4	+2.4%pt	-12.3%

Markets

Home market – Hong Kong and Greater Bay Area (GBA)

- We continued to add more flights, capacity and variety of intermodal transport to provide more options for our customers travelling to and from Hong Kong and the wider Greater Bay Area. In addition to our codeshare ferry services, we have introduced codeshare bonded shuttle buses operating to and from the SkyPier Terminal at HKIA via the Hong Kong-Zhuhai-Macao Bridge.
- The Canton Fair in the second half of April drew strong demand into the Greater Bay Area, with many travellers taking advantage of our intermodal Pazhou Ferry codeshare service. We continued to offer on-site upstream check-in services at the exhibition venue, providing a seamless travel experience for customers travelling to and from the Greater Bay Area.

- We saw a boost in leisure travel demand from Hong Kong and the rest of the Greater Bay Area in January and April, stimulated by various holiday periods around the region.
- Demand for our premium cabins was strong during February and March, driven by various exhibitions, trade shows and mega-events held in Hong Kong and the wider Greater Bay Area.

Americas

- In April, we launched direct flights to Dallas Fort Worth International Airport for the first time, further expanding our network in the important North America market. These flights have been well received by our customers and will increase from four flights per week to daily in October 2025 in response to strong demand.
- As at 30th June 2025, Cathay Pacific's scheduled passenger services covered eight destinations in the Americas.

REVIEW OF OPERATIONS

Southeast Asia and Oceania

- Local holidays across Southeast Asia, such as Lebaran, Songkran and Vesak, drove strong travel demand, with popular destinations extending beyond Hong Kong to various Northeast Asian markets.
- In May, we announced that we would be returning to Adelaide in November 2025 with a three-times-weekly winter seasonal service.
- As at 30th June 2025, Cathay Pacific's scheduled passenger services covered 20 destinations in Southeast Asia and Oceania.

North Asia

- We continued to enhance connectivity between Hong Kong and the Chinese Mainland with more flights and destinations. In April, we launched passenger services to Urumqi, connecting our home city with an important Belt and Road hub in Northwestern China. For the summer season, we increased our Chinese Mainland services to provide our customers with greater choice and connectivity. This included increasing to seven daily return flights to Beijing, eight daily return flights to Shanghai (Pudong), four daily return flights to Hangzhou and double-daily return flights to Nanjing.
- While demand for travel to Japan was strong for much of the first half of 2025, it slowed down substantially in June due to online earthquake rumours.
- As at 30th June 2025, Cathay Pacific's scheduled passenger services covered 27 destinations in North Asia.

Europe

- Student traffic from the United Kingdom was strong ahead of Easter as students returned home for the holiday period.
- We continued to strengthen our European network with the addition of new routes. In June, Cathay Pacific returned to Rome with a summer seasonal service, and launched direct passenger flights to Munich for the first time.

- As at 30th June 2025, Cathay Pacific's scheduled passenger services covered 12 destinations in Europe.

South Asia, Middle East and Africa

- In March, we resumed our non-stop service between Hong Kong and Hyderabad, further enhancing our India network.
- As at 30th June 2025, Cathay Pacific's scheduled passenger services covered 11 destinations in South Asia, Middle East and Africa.

Customer experience enhancements

- In January, we announced our collaboration with Eaton HK's Michelin-starred Cantonese restaurant Yat Tung Heen to elevate the inflight dining experience for our Premium Economy and Economy class customers, building upon our partnerships with esteemed restaurants in Hong Kong.
- In February, we unveiled our partnership with acclaimed restaurant Mott 32 to bring customers an elevated dining experience at The Pier, First lounge at HKIA.
- In May, we introduced our "Chinese Classics" dining offerings for Business class customers on selected flights from Hong Kong to the Chinese Mainland. Inspired by the Eight Great Cuisines of China, the new menu complements our "Hong Kong Flavours" and "International Favourites" offerings to provide a diverse and elevated inflight dining experience.
- As part of our wide-ranging lounge enhancement plan at HKIA, in May we reopened The Bridge following a redesign of the lounge and converted The Deck into an interim First class lounge. These enhancements will ensure that customers continue to enjoy a premium lounge experience in Hong Kong during the renovations of The Wing, First – which closed in May and will reopen in 2026 – followed by The Wing, Business.
- Our Boeing 777-300ER retrofit programme continues, bringing our new Aria Suite Business class, new Premium Economy and refreshed Economy cabins to more routes. These new cabins are currently available on selected flights between Hong Kong and London Heathrow, Sydney and Vancouver, as well as some regional flights.

- We remain on track to deliver a brand-new cabin and flat-bed Business class product onboard selected regional Airbus A330-300 aircraft in 2026. For our other regional A330-300 and Boeing 777-300 aircraft, we began rolling out refinements to the design of our current regional Business class seats in April this year, featuring an updated look and features. This rollout will be completed by the end of 2025.
- We also announced that from August 2025, Cathay Pacific will be one of the very few airlines to offer both 100% seatback inflight entertainment and 100% high-speed inflight connectivity across its entire fleet.

Awards

- Cathay Pacific was named among the top three world's best airlines in the 2025 Skytrax World Airline Awards, in addition to being named World's Best Economy Class Airline and winning World's Best Inflight Entertainment, among other achievements.
- Cathay Pacific was named among the top five best premium airlines in the world for 2025 by Airline Ratings.
- Cathay Pacific's inflight entertainment graphical user interface was recognised by two of the top global design awards for products and experience, receiving the Gold Award at the German Design Awards 2025 and a Red Dot Design Award in 2024 for its combination of cutting-edge design and technology.
- Cathay Pacific's Aria Suite Business class won a Red Dot Design Award in 2025 for its exceptional level of comfort, and the Cabin Design (Business & First Class) Award at the International Yacht & Aviation Awards 2025 for its seamless blend of innovation and human-centric design.
- At the Crystal Cabin Awards 2025, Cathay Pacific was named winner of the Passenger Comfort category with its new Aria Suite Business class introducing a ground-breaking system that unifies the inflight entertainment and cabin environment control, and winner of the Judges' Choice: Airline Innovation category for its innovative Gallery in the Skies art concept.
- Cathay Pacific received three iF Design Awards – two for its Inflight Entertainment System Design and Experience, and one for its Aria Suite Business class.
- Cathay Pacific won three accolades at TheDesignAir Awards 2024: Design Airline of the Year, Asia; Best New Business Class, 2024 for its all-new Aria Suite cabins; and Best New Premium Economy Class, 2024 for its new Premium Economy cabins onboard its Boeing 777-300ER aircraft.
- Cathay won the Grand Award for the third consecutive year at the HKACE Customer Service Excellence Awards. Collectively, the Cathay Group received 15 awards from HKACE, recognising the excellent service standards set by our cabin crew, customer care, airport, subsidiary and Cathay Academy teams.

Cathay Cargo

Cathay Cargo is the largest cargo operator at Hong Kong International Airport. Our strategic vision is to become the world's best air cargo carrier, underpinned by our purpose to deliver cargo that matters to the world.

Cargo revenue in the first half of 2025 was HK\$11,141 million, an increase of 2.2% compared with the first half of 2024. Capacity, measured in available freight tonne kilometres (AFTK), increased by 8.1% in the first half of 2025 compared with the same period in 2024. Revenue freight tonne kilometres (RFTK) traffic increased by 5.9%. Total tonnage increased by 11.4% to 801 thousand tonnes. Cargo yield decreased 3.4% to HK\$2.59, while load factor averaged 58.6% (2024 first half: 59.9%).

Available freight tonne kilometres (AFTK), load factor and yield change for the first half of 2025 were as follows:

	AFTK (million)			Load factor (%)			Yield
	2025	2024	Change	2025	2024	Change	Change
Cathay Cargo	7,336	6,788	+8.1%	58.6	59.9	-1.3%pt	-3.4%

Home market – Hong Kong and the Greater Bay Area (GBA)

- As the largest cargo operator at HKIA, Cathay Cargo was proud to be a key contributor to it being named the world's busiest cargo airport for the 14th time since 2010.
- We offered up to 100 return freighter flights a week and more than 1,600 return passenger flights a week with cargo capability to over 100 destinations worldwide from our Hong Kong hub.
- Cargo demand from Hong Kong and the rest of the GBA into the United States was negatively impacted by the increased tariffs imposed in early April and the removal of the de minimis exemption in early May, although there was some recovery following the temporary reduction in tariffs from mid-May. While e-commerce demand declined during this period, we were able to offset the shortfall by capturing additional cargo volumes to optimise flight capacity.

Americas

- As at 30th June 2025, we were operating freighters serving 12 destinations in the Americas, in addition to utilising belly space on Cathay Pacific's passenger flights.
- We increased transpacific freighter frequencies in March to cater for the quarter-end air cargo peak season.

- Our Cathay Secure and Cathay Expert specialist solutions saw healthy demand for shipments to destinations in Asia from the Americas.

Southeast Asia and Oceania

- As at 30th June 2025, we were operating freighters serving nine destinations in Southeast Asia and Oceania, in addition to utilising belly space on the Cathay Group's passenger flights.
- We introduced an additional weekly freighter service to Hanoi from May, resulting in a total of eight freighter flights per week to the city.
- Driven by strong demand to the Americas, the Southeast Asia region had a strong start to 2025, followed by a production rush ahead of the introduction of tariff changes by the United States in early April.
- General cargo including high-tech electronics and garments performed well on regional routes, with Vietnam, Thailand and Indonesia continuing to drive perishables traffic into Hong Kong, the Chinese Mainland and the United States.
- Perishables such as chilled meats and fresh produce comprised a large proportion of the cargo carried from Oceania.
- Exports from Oceania to Europe and the Americas were supported by movements of vehicles, turbines and exhibition materials, while exports under the Cathay Live Animal solution remained solid.

- Cathay Cargo launched weekly freighter flights to Brisbane in June while suspending the Wellcamp service.
- In June, we transported a number of terracotta figures and over 200 artefacts from Xi'an to Perth via Hong Kong for the "Terracotta Warriors: Legacy of the First Emperor" exhibition, leveraging our Cathay Expert and Cathay Secure solutions to help bring these important cultural treasures to the world.

North Asia

- As at 30th June 2025, we were operating freighters serving nine destinations in North Asia, in addition to utilising belly space on the Cathay Group's passenger flights.
- The Chinese Mainland market remained steady despite a temporary contraction in cargo demand from the United States between April and mid-May due to increased tariffs and the removal of the de minimis exemption. We saw a rebound in demand following the temporary reduction in tariffs in May.
- Overall, demand for general cargo from the Chinese Mainland to other markets remained robust, with growth primarily driven by high-tech electronics on major trade lanes to markets such as India and the Southwest Pacific.
- Tonnage under our Cathay Mail and Cathay Pharma solutions from the Chinese Mainland saw notable growth for the first half of 2025.
- Long-haul traffic from other markets in North Asia remained steady, with high-tech and automotive shipments being the key commodities.

Europe

- As at 30th June 2025, we were operating freighters serving five destinations in Europe, in addition to utilising belly space on Cathay Pacific's passenger flights.
- We operated additional frequencies on our European routes in March to cater for the quarter-end air cargo demand.

- General cargo remained the key export contributor to tonnage growth for Europe, with Cathay Pharma and Cathay Fresh continuing to drive growth for our specialist solutions from the region.
- In February, we were proud to be the official airline partner for the Longines Hong Kong International Horse Show. We transported around 70 of the world's finest sports horses from Liège and London to Hong Kong, showcasing our expertise and care in transporting live animals.

South Asia, Middle East and Africa

- As at 30th June 2025, we were operating freighters serving six destinations in South Asia, Middle East and Africa, in addition to utilising belly space on Cathay Pacific's passenger flights.
- General cargo, high-tech electronics, perishables and pharmaceuticals continued to drive tonnage growth from the region, with Asia being a key destination.

Areas of Focus

Cargo commercial

- Given the market uncertainty from the trade tariffs, we have been diligently monitoring the market conditions, adjusting our freighter capacity and adapting our sales focus to support our customers.
- We reorganised our commercial organisation for greater efficiency and speed to market.
- We continued the rollout of sales technology to support our sales organisation with new and updated insights platforms.
- We relaunched our Cathay Expert, Cathay Courier, Cathay Fresh, and Cathay Live Animal solutions to differentiate our offerings, raise customer awareness and support our brand positioning.
- Cathay Cargo sponsored The International Air Cargo Association (TIACA) Executive Summit held in Hong Kong in June, an important industry forum to discuss current issues and developments.

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- Cathay Cargo also joined industry stakeholders at the IATA Cargo Network Service Partnership Conference (CNS) in Miami in May and the Air Cargo Europe convention in June to discuss the latest trends and developments in the air cargo supply chain. For the third year in a row, we hosted the “Women in Air Cargo” panel at CNS, highlighting how diversity fosters innovation, resilience and success in the industry.

Service and operational excellence

- We launched our inaugural Cargo Security Awareness Campaign seminar this year in collaboration with government authorities, reinforcing our commitment to security and regulatory alignment.
- In the first half of 2025, we implemented several new Pre-Loading Advance Cargo Information (PLACI) programmes across key markets, enhancing compliance readiness and helping customers adapt to the evolving requirements.
- We improved our hub efficiency at HKIA through targeted digitisation and automation. Enhancements such as instant Cool Dolly booking confirmation and smarter resource scheduling have streamlined cargo flows and reduced turnaround times.
- We renewed our IATA CEIV Lithium Battery Certification in 2025, reaffirming our efforts to enhance lithium battery handling standards and promote safer logistics practices across the network.

Cargo digital

- We continued the refresh of our Cathay Cargo website to provide customers with a one-stop digital hub where they can book, track and trace, and access customer services all in one place.
- In March, we enhanced our online booking platform with new features including smart filtering options and access to booking summaries, booking details and extended booking history.
- In May, we launched our Cargo VR Cave to deliver tailored immersive training for our people, marking a milestone for both Cathay Cargo and Cathay Academy as we leverage technology to elevate our training capabilities.

- We introduced HeavyPro to digitalise our heavyweight shipment calculation and approval processes. In 2025, we included aircraft engine loading calculations, optimising efficiency for oversized cargo handling.
- We expanded the Cargo Connect app globally beyond Hong Kong in the second quarter, enabling real-time coordination and streamlining service delivery for frontline teams.

Awards

- Cathay Cargo was awarded Cargo Operator of the Year at Air Transport World’s (ATW) 51st annual Airline Industry Achievement Awards in 2025, having previously been named the world’s best cargo airline by the same organisation in 2023.
- We were recognised at the 2025 Changi Airline Awards as one of the Top 5 Airlines by Cargo Carriage and Absolute Cargo Growth. The recognitions reflect the strong e-commerce demand and added belly capacity via Singapore, a key regional hub supported by our scheduled freighters and growing passenger network.
- Cathay Cargo was also named Airline of the Year – Asia at the World Air Cargo Awards 2025 hosted by Air Cargo Week, recognising our commitment to innovation, quality, compliance and operational excellence.

Lifestyle

Cathay's Lifestyle vision is to become a leading service brand by building deep, engaging relationships with customers, offering them curated travel lifestyle products and experiences throughout their lifetime. Through the Lifestyle business, we interact with customers beyond their journeys, foster loyalty, and leverage relationships for additional value. This includes Asia Miles, our established mileage business, and new product sales businesses such as hotels, retail, experiences, and insurance. Both streams provide access to the Cathay membership programme and Asia Miles, allowing members to earn and use miles for full or partial payment.

Cathay membership programme

Membership

- During the first half of 2025, we continued to grow our active Cathay membership base.
- To boost brand awareness and engagement with our members, we launched the "Cathay Members' Choice Awards 2025", with over 24,000 members voting for their favourite brands, restaurants, hotels and destinations. We also introduced the "Cathay Members Fiesta" campaign, which saw over 14,000 registered members participate.
- In the Chinese Mainland, we have strengthened our omnichannel recruitment efforts on direct channels, online travel agent platforms and offline travel touchpoints to convert customers into Cathay members. We expect improved member penetration into this segment to support an already active and loyal member base for continued business growth.

Flight awards

- We continued to invest in flight awards, with the number of passengers carried on award seats during the first half of 2025 surpassing pre-pandemic levels and exceeding the same period in 2024.
- An update was made to the Cathay Pacific Standard Award chart, with the changes taking effect from 15th April 2025. We will continue to review and adjust the award chart periodically to ensure competitiveness and programme sustainability.

- An Asia Miles Upgrade Availability checker was launched in May 2025, allowing members to search online for upgrade availability on Cathay Pacific direct flights up to 180 days in advance. This new function elevates members' redemption experience by making it easier to search for and identify redemption upgrade opportunities.
- HK Express has become a major air redemption partner, offering Miles Plus Cash and Miles-only options. Two successful mega sales campaigns were launched in the first half of 2025, allowing Cathay members to redeem HK Express flights to popular destinations with departure periods covering the summer travel peak in Hong Kong from as few as 1,000 miles.

Mileage sales

Payment

- Our collaboration with Standard Chartered continued to perform well in the Asia Pacific region, achieving a high average spend per card compared to the industry norm. We also sustained high card acquisition levels with tactical offers and promotions, including complimentary flight tickets, special experiences, priority concert bookings and exclusive dining offers.
- By partnering with Mastercard, Cathay has successfully relaunched co-branded products in the United States with Synchrony Financial, and in Macao with Banco Nacional Ultramarino. We will continue to explore other co-brand opportunities in new markets to serve our global membership base.
- Points conversion partnerships contributed significantly to performance, demonstrating Cathay's strong brand presence and the high demand for Asia Miles across all regions.
- Our partnerships in the FinTech space continued to strengthen in 2025, with Mox Bank in Hong Kong and Neo Financial in Canada helping us reach new customer segments.
- In the Chinese Mainland, payment partnerships through our co-brand card and points conversion partners remained key revenue drivers. In the first half of 2025, we also launched a partnership with China Industrial Bank to expand our reach among premium banking customers.

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Mileage partnerships

- Since the launch of Card Linked Earn in 2024, we have continued to enhance and expand the initiative to make earning Asia Miles on everyday purchases even easier. As of June 2025, we have 89 partnered brands in our Card Linked Earn ecosystem, notably with Shell joining us as our exclusive fuel partner in March 2025.
- We launched Milesback, a worldwide platform for members to shop online at their favourite brands while earning Asia Miles. Our partners span a wide range, from beauty and electronics to apparel and e-commerce.
- In the Chinese Mainland, to cater to our members' diverse lifestyles we continued to enhance Asia Miles earning opportunities in the digital and offline spaces, with partnerships covering online travel platforms and offline retail, dining and wellness experiences. Most notably, we deepened our partnership with the Swire Group beyond retail into the wellness sector to offer Asia Miles at Delta Healthcare in the Chinese Mainland.

Product sales

Cathay Holidays

- In February, we enhanced our digital ecosystem by launching a cross-sell widget on the Internet Booking Engine (IBE), driving incremental revenue from standalone hotel sales among direct flight customers.
- Through our partnership with Expedia Group, we expanded the Cathay Holidays hotel platform to four new markets – Canada, Australia, the United Kingdom, and the United States – unlocking access to nearly one million hotels and supporting ancillary revenue growth.
- We launched Flash Holidays, offering attractive last-minute package deals for Hong Kong consumers. This initiative successfully boosted bookings to destinations such as Hangzhou, Ho Chi Minh City and Xiamen.
- We curated unique travel experiences to differentiate our holiday portfolio, with thematic campaigns tailored for family travel. Highlights include a summer family package in Chengdu featuring a luxury stay at Six Senses and Panda Base Volunteering experience, and a Taipei outdoor adventure with camping, car, accommodation and family-friendly outdoor activities.

Cathay Shop

- In the first half of 2025, Cathay Shop enriched its unique product portfolio by introducing over 40 Cathay-branded merchandise items as well as 20 concerts and experiential events.
- In the first quarter, we launched a wellness-themed collection featuring products such as yoga mats, tote bags and Bioloco insulated bottles. We also introduced the Cathay x Bang & Olufsen portable Bluetooth speaker for music lovers.
- Our "From Cabin to Home" upcycled collection drew significant interest from aviation fans, featuring products such as floor cushions and display trays made from retired aircraft parts.
- In the second quarter, our Premium Play collection was launched, including a digital kids' camera with Hong Kong-themed frames and destination-themed playing cards.
- We have also expanded our reseller partnerships, notably collaborating with the Commercial Press at Kai Tak to offer Cathay-branded merchandise in its aviation-themed bookstore. Cathay products are also available at Everrich Duty Free outlets in Taipei and Kaohsiung airports.
- We have enhanced our digital capabilities to further engage our Cathay members in the Chinese Mainland, introducing the Cathay WeChat Mini Programme for merchandise and popular products. We also plan to launch the Milesback Mini Programme in summer 2025, allowing members to earn Asia Miles as rewards on major digital platforms such as Meituan and Didi.

Insurance

- The insurance business saw solid growth during the first half of 2025, driven by an increase in network traffic, greater membership penetration and product expansion.
- We launched a partnership with Zurich Insurance (Hong Kong) in March 2025 to provide customers with a diverse selection of general insurance solutions while enabling them to earn Asia Miles. Zurich's premium insurance protection covers homes, motor, personal accidents and domestic helpers, extending Cathay's existing insurance offerings beyond travel and health. We also introduced embedded insurance in the Cathay Shop, offering relevant insurance products such as screen protection for electronic devices.

- We launched a new storefront on our website featuring our full range of insurance products and offerings.

Retail Media

- We have successfully developed internal sales capabilities to reduce reliance on our media sales agency, allowing us to secure advertisers that better align with the Cathay brand.
- In the first quarter, we secured a direct sales booking with The Macallan, marking our first omni-channel media partnership to leverage the strength of our multiple-touchpoint premium experience journey.
- Key activations of the Macallan partnership included branded inflight entertainment content, special tastings in our Aria Suite Business class, pop-up tastings and masterclasses at The Pier, First lounge, storytelling through the Cathay magazine and our Inspiration content hub, and direct sales on Cathay Shop — seamlessly integrating premium experiences into our customer journey. The campaign was well received by The Macallan and our customers, and the omni-channel media model will serve as the prime partnership approach we use for leading premium brands.

Review of the Performance and Operations of Key Subsidiaries and Associates

Hong Kong Express Airways Limited (“HK Express”)

HK Express is Hong Kong’s only low-cost carrier, dedicated to providing affordable travel services to leisure travel destinations in Asia. In the first half of 2025, HK Express launched passenger services to nine destinations, continuing its growth momentum. As at 30th June 2025, HK Express operated scheduled flights to 37 destinations.

In the first half of 2025, HK Express carried about 3.8 million passengers, an increase of 33.5% compared with the same period in 2024. The average flown load factor was 78.9%, a decrease of 6.1 percentage points. Available seat kilometres amounted to 8,810 million.

Markets

Home Market – Hong Kong and the Greater Bay Area (GBA)

- HK Express achieved a new milestone in May by recording its highest monthly seat capacity in its history.

North Asia

- HK Express launched passenger services to Sendai in January, Ishigaki and Komatsu in April, Changzhou and Yiwu in May, and Cheongju, Daegu and Miyako (Shimojishima) in June.
- With these new destinations, HK Express now operates flights serving more destinations in Japan, South Korea and the Taiwan region than any other Hong Kong-based carrier. With the launch of Changzhou and Yiwu, its Chinese Mainland network has expanded to five destinations as at 30th June 2025.
- Demand from Hong Kong to Japan temporarily weakened due to rumours regarding earthquakes, with customer preferences shifting to alternative destinations such as South Korea, Vietnam, and the Chinese Mainland.
- As at 30th June 2025, HK Express operated more than 310 return flights per week to 27 destinations in North Asia.

Southeast Asia

- HK Express launched flights to Nha Trang in April. As at 30th June 2025, HK Express served the most destinations in Vietnam among all Hong Kong-based carriers.
- As at 30th June 2025, HK Express operated more than 120 return flights per week serving 10 destinations in Southeast Asia.

Customer experience enhancements

In the first half of 2025, HK Express focused on enhancing the customer experience by building on past initiatives and introducing new offerings:

- HK Express revamped its website and mobile app, optimising key features such as online ticket purchases, the “Manage My Booking” tool, and online check-in.

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These upgrades deliver a seamless, efficient, and customer-centric digital experience.

- HK Express fully rolled out the “UO Smile” training programme across all stations to enhance ground-handling service standards. From April 2025, this training has become a standard requirement for all new joiners and newly opened stations, ensuring consistent, high-quality service delivery.
- In collaboration with TamJai SamGor Mixian, a beloved local restaurant brand, HK Express introduced the exclusive “Nissin X TamJai SamGor Mala Soup Flavour Instant Noodles” to its summer inflight menu. The product was well received by customers, with the first batch selling out during onboard presales. This partnership elevated the inflight dining experience while celebrating local culinary culture.

Passenger fleet

- At 30th June 2025, HK Express had an all-Airbus narrowbody fleet of 41 aircraft, including six Airbus A320-200 aircraft, 13 Airbus A321-200 aircraft, 10 Airbus A320-200neo aircraft and 12 Airbus A321-200neo aircraft. The fleet had an average age of 7.6 years.

- The modern fleet enables HK Express to seize new opportunities within the region and contributes to strengthening Hong Kong’s position as Asia’s leading international aviation hub.

Awards

HK Express achieved significant recognitions in the first half of 2025, underscoring its dedication to excellence across customer experience and employee engagement:

- HK Express was ranked fourth among the World’s Best Low-Cost Carriers for 2025 by AirlineRatings.com and was in the top three of Skytrax’s World’s Most Improved Airlines 2025, showcasing its continued efforts to enhance service quality.
- HK Express received multiple accolades at the Employee Experience Awards 2025, including a Silver Award for Best Employer Branding, a Silver Award for Best Employee Communication Strategy, and a Bronze Award for Best Talent Sourcing & Attraction Strategy. These awards highlight the airline’s commitment to fostering a supportive, innovative and engaging workplace culture.

Operating Results of HK Express

	Six months ended 30th June		Change
	2025 HK\$M	2024 HK\$M	
Revenue			
Passenger services	3,004	2,985	+0.6%
Cargo services	36	17	+111.8%
Other services and recoveries	131	173	-24.3%
Total revenue	3,171	3,175	-0.1%
Expenses			
Staff	(641)	(498)	+28.7%
Inflight service and passenger expenses	(36)	(24)	+50.0%
Landing, parking and route expenses	(780)	(546)	+42.9%
Fuel	(921)	(800)	+15.1%
Aircraft maintenance	(427)	(342)	+24.9%
Aircraft depreciation and rentals	(599)	(492)	+21.7%
Other depreciation, amortisation and rentals	(18)	(73)	-75.3%
Others	(273)	(334)	-18.3%
Operating expenses	(3,695)	(3,109)	+18.8%
(Loss)/profit before net finance charges and taxation	(524)	66	-893.9%

AHK Air Hong Kong Limited ("Air Hong Kong")

- Air Hong Kong principally operates express cargo services for DHL Express.
- At 30th June 2025, Air Hong Kong had four dry-leased A330-243F freighters and 10 dry-leased A330-300P2F converted freighters.
- Air Hong Kong completed its re-fleeting programme in June 2025 to replace its previous A300-600F freighters with larger and more fuel-efficient A330F freighters.
- Air Hong Kong operated scheduled and charter flights to 16 major cities in Asia, Europe and Australia including Sydney, Leipzig, Bangkok, Beijing, Cebu (via Manila), Chengdu, Ho Chi Minh City, Nagoya, Osaka, Penang, Seoul, Shanghai, Singapore, Taipei and Tokyo in the first half of 2025.
- In the first half of 2025, available freight tonne kilometres (AFTK) were 418 million, a decrease of 4.5% compared with the same period in 2024.
- Air Hong Kong recorded a profit in the first half of 2025, at a similar level compared with the same period in 2024.

Material Airline Services Subsidiaries

Cathay Pacific Catering Services (H.K.) Limited ("Cathay Dining") and kitchens outside Hong Kong

- Cathay Dining operates the principal flight kitchen in Hong Kong providing flight-catering services to 49 international airlines in Hong Kong.
- It produced 14.1 million airline meals and handled 32,989 flights in the first half of 2025, representing a daily average of 77,981 meals and 182 flights, an increase of 27% and 21%, respectively, from the first half of 2024.
- The financial results of Cathay Dining as well as flight kitchens outside Hong Kong in the first half of 2025 improved compared with the same period in 2024.

- Cathay Dining introduced a redesigned food segregation and warewash system in May, becoming the first airline caterer in Hong Kong to support the recycling of inbound food waste. Cathay Dining has increased its food waste recycling capacity by 200%, and the collected food waste is transferred to the Organic Resources Recovery Centre (O • PARK) for anaerobic digestion and electricity generation. The new system is estimated to achieve notable utility savings, with up to a 70% reduction in electricity consumption and nearly a 60% reduction in water use.

Cathay Pacific Services Limited ("Cathay Cargo Terminal" or "CCT")

- Cathay Pacific Services Limited (operating as Cathay Cargo Terminal) manages and operates the Cathay Cargo Terminal at HKIA. As at 30th June 2025, CCT provided cargo-handling services for the Cathay Group and 13 other scheduled airlines, excluding chartered customers.
- CCT handled 795 thousand tonnes of cargo in the first half of 2025, an 8% increase from the same period in 2024.
- The financial results in the first half of 2025 improved compared with the same period in 2024.
- CCT became the first ground-handling organisation in Asia to successfully achieve IATA Security Management System (SeMS) certification, attaining Operating Status – the highest possible tier for a first-time SeMS certification. IATA SeMS provides a structured framework for proactively managing regulatory compliance, security risks, threats and vulnerabilities. CCT was commended for demonstrating well-defined security policies, active leadership involvement, and robust regulatory compliance mechanisms.
- In addition to commencing a pilot scheme to use Hydrotreated Vegetable Oil (HVO) fuel to reduce emissions from Ground Service Equipment (GSE) vehicles, CCT completed a proof-of-concept for Autonomous Electric Tractor (AET) operations, becoming the first operator at HKIA to transport commercial cargo from inside a cargo terminal to the West Cargo Apron – HKIA's furthest apron zone – via an autonomous electric vehicle.

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Hong Kong Airport Services Limited ("HAS")

- HAS provides ramp- and passenger-handling services at HKIA to 27 airlines, including Cathay Pacific and HK Express.
- In the first half of 2025, the number of flights handled under both ramp- and passenger-handling businesses increased by 22.3% and 26.5%, respectively, against the same period in 2024.
- The financial results for the first half of 2025 improved compared with the same period in 2024.
- In the first half of 2025, HAS continued to meet and exceed the Critical Key Performance Indicators set by the Airport Authority Hong Kong.
- HAS successfully completed a trial using Hydrotreated Vegetable Oil, a green renewable diesel, in its operations, pioneering its use at HKIA.
- HAS was honoured by the 2025 Customer Services Excellence Programme at HKIA, winning the Best Check-In Service Award for check-in efficiency and the Cross-Company Excellence Award for outstanding customer service in collaboration with Cathay Pacific. These underscore its commitment to service excellence as a leading ground handler at HKIA. Additionally, more than 60 of HAS's employees were recognised with Individual Excellence Awards and other accolades, acknowledging the care and professionalism they bring to every customer interaction.
- HAS was the first operator at HKIA to implement the Seatbelt Reminder Monitoring System and also adopted the Accident Risk Management (ARM) Solution, enhancing safety excellence.

Vogue Laundry Service Limited ("VLS")

- VLS provides a comprehensive range of professional services in laundry and dry cleaning of commercial linen, uniform and guest garments.
- It operates a commercial laundry plant in Yuen Long Industrial Park and runs six valet shops in Hong Kong serving retail customers.

- VLS processed 41 million items of laundry in the first half of 2025 compared with 37 million items in the same period in 2024. The financial results for the first half of 2025 improved compared with the same period in 2024.

Material Associates

Air China Limited ("Air China")

- Air China, in which the Cathay Group had a 15.09% interest at 30th June 2025, is the national flag carrier and leading provider of passenger, cargo and other airline-related services in the Chinese Mainland. We are represented on the Board of Directors of Air China and equity account for our share of Air China's results.
- Our share of Air China's results is based on its financial statements drawn up three months in arrears. Consequently, our 2025 interim results include Air China's results for the six months ended 31st March 2025.
- For the six months ended 31st March 2025, Air China's financial results improved compared to those for the six months ended 31st March 2024.
- At 30th June 2025, the net book value and market value of the 2,634 million shares of Air China held by the Cathay Group was HK\$9,936 million (constituting 5.8% of the Cathay Group's total assets) and HK\$15,697 million respectively.
- No dividend was received from Air China during the period.
- Additional information on Air China, including its performance and prospects, can be found in its public domain.

Air China Cargo Co., Ltd. ("Air China Cargo")

- Air China Cargo, in which the Cathay Group owns an equity and economic interest totalling 21.01%, is the leading provider of air cargo services in the Chinese Mainland. It has its headquarters in Beijing. Its main operating base is in Shanghai Pudong.
- Air China Cargo exercised its over-allotment right in 2025 after being listed in December 2024 to cater the excess market demand, raising additional capital of HK\$487 million in February and increasing the public float to 15%.

As a result, the Group's ownership was further diluted from 21.36% to 21.01%.

- Our share of Air China Cargo's results is based on its financial statements drawn up three months in arrears. Consequently, our 2025 interim results include Air China Cargo's results for the six months ended 31st March 2025.
- The Group has a dividend receivable of HK\$180 million from Air China Cargo as at 30th June 2025.
- Additional information on Air China Cargo, including its performance and prospects, can be found in its public domain.

The Group intends to continue to hold its material associates for the foreseeable future.

Our Areas of Leadership

Cathay has three areas of leadership that form a key part of our corporate strategy. These three areas – safety and operational excellence, transforming into a digital leader, and becoming a leader in sustainability – are where we are especially focused on building new capabilities for the future.

Safety and Operational Excellence

Safety excellence

At Cathay, safety is a deep commitment we make to each other, to our customers and to our business partners. Our purpose at Cathay is to move people forward in life, and to achieve this we ensure their travel experience and work environment is safe, healthy and secure. Safety is intrinsic to everything we do; it informs every operational decision we take, and every choice we make. Safety excellence is a cornerstone of our success. Our strategy supports and reinforces our position as one of the global leaders in the sphere of safety and operational excellence.

- **Leadership commitment** – Our leadership team is committed to maintaining a strong safety culture. They lead by example and ensure safety is embedded in all our business practices. This includes active and visible participation in promoting their commitment to safety and our Safety Management System (SMS).
- **Our approach to safety** – Cathay is firmly committed to providing our customers and our people with the highest

standards of safety. Our SMS is a structured framework designed to manage safety within our organisation, seeking not only to learn from mistakes, but also to understand why things go right. It encompasses a set of processes and practices to systematically ensure the highest level of safety performance through proactive reporting and feedback loops. By integrating operational, technical, and human resource management, our SMS aims to create a proactive safety culture to minimise hazards and risks throughout our businesses.

- **Safety policy** – Our safety policy is our blueprint for making sure that safety excellence is and will remain a cornerstone of our success. Our policy extends a duty of care to all businesses we work with, including contractors and individuals under the Group's supervision.
- **People safety focus** – As an integral part of our company strategy, in 2025 we launched "Safety in Our Every Move" to highlight how each of our employees plays a part in making safety excellence the standard. The focus covers ground transport safety, work-above-ground safety, heat stress safety, slip/trip/fall safety, workplace and workstation safety, mental well-being, fire safety, and workplace hygiene. Together, these themes emphasise our continued focus on the safety and well-being of all our people and our partners.
- **Safety governance** – The Cathay Group SMS has been developed to ensure that we proactively manage risks and have procedures in place to react appropriately should an incident occur. Safety performance indicators are actively monitored on a monthly basis by Safety Action Groups (SAG) and the Airline Safety Review Committee (ASRC), which is chaired by our Chief Executive Officer, and all events and incidents are investigated thoroughly. The implementation of our SMS is evaluated and assessed regularly by the Hong Kong Civil Aviation Department (HKCAD).
- **Compliance with company and regulatory requirements** – Cathay is committed to complying with all applicable regulations and standards. We monitor changes to ensure our policies and practices remain up-to-date, effective and industry-leading. Our robust quality programme is deeply integrated into our operation ensuring safety excellence is designed into all our processes and all aspects of our business, driving compliance, competency, consistency and continuous improvement.

- **IATA Operational Safety Audit (IOSA)** – IOSA is the global standard for assessing the operational management and control systems of an airline. As an IATA member, we are IOSA registered and must remain so to maintain IATA membership. Our operations underwent a successful IOSA audit in November 2024, which renewed our IATA registration for 24 months. At this audit, Cathay successfully completed the new IATA Risk-Based IOSA (RBI), marking a notable shift in the oversight of the IOSA programme. The RBI aims to enhance safety risk management, including assessing an airline's safety maturity. When it comes to safety, Cathay continues to set high internal standards for continual improvement in safety and operational excellence.

Operational excellence

- **Our approach to operational excellence** – Cathay aims to deliver operational excellence built on efficiency and reliability. We take a fully integrated approach to planning our operations that combines commercial and operational considerations to ensure that we deliver, and in the case of disruptions, recover our operations to provide outcomes that are better for our customers, people and business. In addition to this integrated approach, we also leverage digital tools to enhance our ability to efficiently and reliably deliver the flying schedule and support our people with tools for better operational decision making. We also continue to invest in performance foundations, including initiating programmes to replace Maintenance and Engineering as well as Crew Operations Systems.
- **Operational efficiency** – In mid-2024, we established an Operations Planning function, which brings together responsibility for planning pilot, cabin crew and airport resources, as well as aircraft availability to meet the schedule. This unit works closely with the Planning team and their network planners to optimise the utilisation of our fleet and people resources when designing the flying schedule. Digital Twins were introduced in 2024 with more being progressively deployed across the operation to plan and deploy our crew resources in a productive way.
- **Operational reliability** – Resilience is built into our flying schedule from the moment we plan our resources to the moment we deliver the schedule on the day of operations. Our Operations Planning function has developed a digital roadmap that includes the development of a new digital twin that would simulate how our flight schedules would

behave on a given day and enable the team to build additional resilience into the schedule design and increase the reliability of our operations. When moving from planning to execution, our Integrated Operations Centre (IOC), comprising teams from multiple operational and service departments, is continuing to harness the power of data and new enhanced digital capabilities to better manage issues for our customers and business to ensure we can reliably deliver the flight schedule on the day of operations. Our decision-support tools, Pathfinder and Sentry, leverage a common underlying data logic layer to further optimise our schedule to better plan for or recover from disruptions. This enables us to make data-driven decisions that are timely, holistic and consistent in the best interests of our customers and business.

Our flights are planned and routed using an automated flight planning system that interfaces with globally sourced, real-time data pools that provide information on weather, air traffic constraints and geopolitical developments. The flights operate in a paperless environment, using an Electronic Flight Bag that contains both off-the-shelf and inhouse developed applications, the latter including our award-winning Electronic Flight Folder.

To maximise the opportunities presented by the Three-Runway System, which has been in use at Hong Kong International Airport throughout the first half of 2025, we have been utilising digital tools and our IOC, and cooperating closely with the Airport Authority Hong Kong and other business partners. This included the development of a digital twin to support the smooth transition to and the evolution of Three-Runway System operations. Our integrated approach to planning and delivery, coupled with new digital capabilities, has led to a 4.7 percentage point improvement in our on-time performance compared with the first half of 2024.

Digital

Our vision is to transform Cathay into a digital leader renowned for our strong digital culture and capabilities, whilst keeping our people and customers at the heart of how we use technology. Every year, more than HK\$3 billion is dedicated to technological research and development, and digital innovation to enhance our operational efficiency and the customer experience. In the first half of 2025, significant progress was achieved in the areas of data analytics and artificial intelligence (AI), innovation, cyber security, and digital talent development.

- **Data analytics and AI** – We accelerated our use of AI to enhance customer value, developing over 85 machine learning models to optimise operations, such as simulating the Three-Runway System at Hong Kong International Airport. We also introduced tools such as an enterprise data catalogue and a learning curriculum to boost data literacy and culture. Our enterprise Retrieval Augmented Generation (RAG) capability now helps our people manage internal knowledge, policies and practices more effectively. Additionally, an enterprise AI productivity tool (Microsoft Copilot) was deployed to most of our back-office teams in the first half of this year.
- **Technological innovation** – Cathay's digital leadership journey took another step forward with the establishment of Cathay Technologies, a new subsidiary created with the goal of bringing Cathay's innovative digital solutions to the wider aviation industry. As part of the Cathay Group, Cathay Technologies will oversee the commercialisation of digital products developed in-house by the Group, making them available to the aviation market and helping to drive innovation within the sector. Cathay Technologies' flagship product is the Electronic Flight Folder (EFF), which was first designed and developed in-house in 2019 by Cathay's own aviation professionals. Cathay Technologies also entered into a strategic partnership with the Hong Kong Science and Technologies Park (HKSTP) on its Co-Acceleration Programme Fund, which will empower budding startups in Hong Kong and the rest of the Greater Bay Area.
- **Cyber security and IT infrastructure** – We are committed to protecting the information of our people, customers, and partners. Our ISO journey continues as we work towards achieving ISO 27001 certification in various areas of our cyber security function. This demonstrates our commitment to upholding a robust cyber security posture, boosting confidence, demonstrating credibility, and enhancing our brand reputation. Our cloud adoption journey is ongoing, with most of our applications now transitioned to the cloud, enabling greater reliability, sustainability, and innovation with AI. Our network modernisation journey has progressed significantly, with over 100 offices worldwide transitioning to a modern network topology, providing a scalable and resilient infrastructure.
- **Digital talent development** – To seize AI opportunities and enhance our services through technology, we are growing our team in the wider Greater Bay Area. Following

the launch of our Digital and IT office in Guangzhou in October last year, we opened another in Qianhai, Shenzhen in July this year. This is currently Cathay's largest office in the Chinese Mainland, housing our first "Innovation Space" for supporting technological research, development and product showcases. This growth is supported by our award-winning Digital and IT Graduate Trainee and Summer Internship Programmes, which have been nurturing future digital leaders since 2014 and have successfully onboarded over 150 talented individuals. Last year, the trainee programme was extended to the wider Greater Bay Area to further attract and develop digital and IT talent for the aviation industry. This strategic expansion has proven highly effective, with the 2025 intake drawing over 2,000 applicants across Hong Kong and the rest of the Greater Bay Area – a 50% increase from the previous year – highlighting the programme's growing reputation, regional impact and alignment with the company's digital transformation goals.

Sustainability

Sustainability is at the core of Cathay's purpose – to move people forward in life. We understand that achieving this purpose in a sustainable and responsible manner for current and future generations requires collective efforts. Through our collaborative approach with travellers, business partners, regulators as well as our people, we aim to lead by example and reach new heights in building a more sustainable future.

In line with this ethos, we have made the following key sustainability commitments:

- Achieving net-zero carbon emissions in our operations by 2050.
- Improving our carbon intensity by 12% from the 2019 level by 2030, bringing the number from 761 gCO₂/RTK to 670 gCO₂/RTK.
- Using sustainable aviation fuel (SAF) for 10% of fuel consumption on Cathay Pacific operating flights by 2030.
- Reducing the use of passenger-facing single-use plastics (SUP) items^(a) on Cathay Pacific flights from an average of 7.7 pieces per passenger in 2019 to 1.5 pieces by 2025.
- Not having more than 65% of the same gender in senior positions^(b) by 2025 and 70% at the Board level by 2027.

REVIEW OF OPERATIONS

Our Sustainability Report 2024 was published in April 2025, detailing our efforts and progress in reaching these commitments. It is now available at https://www.cathaypacific.com/cx/en_HK/about-us/sustainability/sustainability-reports.html.

Environment

On the environmental front, climate change and circular economy are our priority areas. As a pioneer and early adopter of SAF, we continue to lead the charge in accelerating the regional collaboration, development and deployment of SAF. We are also dedicated to transitioning towards more sustainable use of resources and circular solutions by setting a clear roadmap for SUP and waste reduction. Through these endeavours, we affirm our commitment to sustainability leadership.

The following are some of our key initiatives in our environmental efforts from the first half of 2025:

- Cathay Pacific entered into an agreement with China Petroleum and Chemical Corporation (Sinopec) to refuel some of our flights at Hong Kong International Airport (HKIA) with SAF produced and blended with conventional aviation fuel by Sinopec, demonstrating the expanding reach of SAF produced in the Chinese Mainland along the global supply chain.
- We signed a SAF agreement with SK Energy, a South Korea-based energy company, for the supply of over 20,000 tonnes of SAF to Cathay Pacific at Incheon International Airport from 2025 to 2027.
- Air Hong Kong completed a seven-year re-fleeting programme by transitioning into an all-Airbus A330F freighter airline. The newer A330F increases fuel efficiency with reduced noise levels, contributing to the Group's decarbonisation goals.
- Cathay Cargo Terminal and our wholly owned subsidiary Hong Kong Airport Services Limited (HAS) jointly piloted the use of Hydrotreated Vegetable Oil (HVO) for ground service equipment. HVO is a renewable alternative to fossil-based diesel, with the ability to reduce the lifecycle carbon emissions by over 80%.
- Building on the successful introduction of a first-of-its-kind recycling and sorting workflow for plastic bottles at HKIA, we have expanded our inflight recycling procedures to seven outbound routes, which supports our efforts to enhance the inflight recycling rate of plastic bottles.
- Cathay Dining launched an innovative warewash system, becoming the first airline caterer in Hong Kong and one of the few worldwide to support the recycling of inbound food waste. This new system features an advanced food waste segregation design, enhancing food waste recycling capacity by 200%.
 - (a) On-board Cathay Pacific flights only. Items include passenger-facing SUP water bottles, utensils, amenity items, and packaging, but exclude those for medical and sanitation purposes, and pre-packaged food and beverage items other than water bottles.
 - (b) Senior positions refer to the job levels of General Managers and Directors at the Group.

Social

Ensuring the safety of our operations, people and customers is of the utmost importance to us. We value our people as one of our greatest assets and are committed to providing them with an inclusive and supportive work environment. This enables us to attract, develop and retain a strong talent pipeline. Cathay has a longstanding commitment to supporting the communities in which we operate. We engage in various community initiatives focused on youth development, sports as well as arts and culture.

Our people

At 30th June 2025, the Group employed more than 32,200 people worldwide, with around 27,300 employed in Hong Kong.

- Cathay continued to attract talent in Hong Kong, the Chinese Mainland and beyond, offering different job roles to support our continued growth including cabin crew, pilots, cadet pilots, IT specialists, engineering professionals, and other customer-facing roles.
- Our signature employee recognition programme has been rebranded and refreshed as The Betsy Awards. Named after our first aircraft, Betsy, the awards aim to celebrate the legacy of Cathay and the extraordinary achievements of our people as one team. A total of 18 teams were recognised through 21 awards for their exemplary demonstration of Cathay's culture values and excellence in our strategic areas of leadership.
- We regularly review our people policies and Employee Value Propositions in alignment with legislation, industry practices and market conditions, as well as taking into account individual and collective performance to ensure that our employee remuneration remains competitive and fair.

Our community

- Cathay is committed to being a force of positivity for our communities. We help people move forward in life through a variety of programmes throughout the year that inspire dreams and aspirations, encourage physical and mental well-being, and connect people, places and cultures. Cathay sponsored the UNICEF Power Run in January and the inaugural LEAP Into Colour Run & Carnival on 23rd February, raising essential funds to support the emotional well-being and protection of children.
- In March, we unveiled a refreshed format for our flagship I Can Fly programme focused on Education, Discovery and Exploration. Two consecutive I Can Fly Aviation Explorer Days were held for 870 students, organised with the support of the Hong Kong SAR Government's Strive and Rise programme and a number of other community engagement partners. Through the I Can Fly programme this year, Cathay will empower some 2,000 young people between the ages of 10 and 18 to pursue their dreams.
- Cathay was named the exclusive Founding Travel Partner of the new Kai Tak Sports Park (KTSP), reinforcing our commitment to Hong Kong through our continued efforts to support the development of sports, arts and culture in our home city, and promote mega-events that place Hong Kong on the world stage.
- Cathay has been the long-time title sponsor of the Cathay/HSBC Hong Kong Sevens. This year, to commemorate the Sevens' debut at the brand-new KTSP and the 100th anniversary of the former Kai Tak Airport, which had been Cathay Pacific's home for many decades, we were proud to stage a special flypast on the last day of the Sevens to mark our return to Kai Tak. In addition to the Hong Kong Sevens, we also continue to run our grassroots rugby programme for over 800 children in partnership with Po Leung Kuk and Rugby For Good.
- In May, Cathay and Feeding Hong Kong celebrated over 10 years of working together through a surplus food rescue programme turning an environmental problem into a social solution. Under this programme, surplus food items from inbound Cathay Pacific flights are collected and repurposed to support underprivileged members of the community. Since the programme's launch in 2014, 2,250 tonnes of food have been collected and redistributed to people in need, benefitting 260,000 individuals over the past decade. Volunteers from across

Cathay have frequently offered their helping hands in supporting Feeding Hong Kong's operations.

- In June, Cathay and the Hong Kong Youth Aviation Academy (HKYAA) launched AeroQuiz and the Cathay Inter-school Aviation Challenge Cup, both aimed at inspiring and engaging aviation enthusiasts through interactive learning and teamwork.

Governance

Cathay is committed to maintaining and developing robust corporate governance practices and this is further described in the Corporate Governance Report section of our 2024 Annual Report.

Selected awards and recognitions

- Cathay Pacific was named Eco-Airline of the Year in the 51st annual Air Transport World (ATW) Airline Industry Achievement Awards in 2025, the first airline in Asia to receive this recognition.
- Cathay Pacific was included in the Top 1% S&P Global ESG Score (China) category by the S&P Sustainability Yearbook (China) 2025, the only airline to attain this distinction in the China-specific edition of the Yearbook.
- Cathay Pacific was honoured to receive the Strategic Employer Brand Excellence Award at the 2025 Randstad Employer Brand Awards. This recognition is a testament to our significant progress in Randstad's annual employer brand research report, affirming our commitment to building a workplace that inspires excellence, promotes innovation, and embraces inclusivity.

FINANCIAL REVIEW

The Cathay Group's attributable profit was HK\$3,651 million in the first half of 2025 (2024 first half: HK\$3,613 million). The Company reported a profit after tax of HK\$4,030 million in the first half of 2025 (2024 first half: HK\$3,981 million). Loss from subsidiaries was HK\$198 million (2024 first half: loss of HK\$26 million), and the share of losses from associates was HK\$181 million (2024 first half: losses of HK\$342 million).

Revenue

	Cathay Group			The Company		
	Six months ended 30th June			Six months ended 30th June		
	2025 HK\$M	2024 HK\$M	Change	2025 HK\$M	2024 HK\$M	Change
Passenger services	37,212	33,004	+12.7%	34,208	30,017	+14.0%
Cargo services	12,761	12,610	+1.2%	11,141	10,902	+2.2%
Other services and recoveries	4,336	3,990	+8.7%	4,369	3,865	+13.0%
Total revenue	54,309	49,604	+9.5%	49,718	44,784	+11.0%

Cathay Pacific passenger revenue increased by 14.0% compared with a 26.3% increase in available seat kilometres. Cathay Cargo revenue increased by 2.2%, compared with a 8.1% increase in available freight tonne kilometres. Revenue from other services and recoveries increased by 13.0%.

Operating Expenses

	Cathay Group			The Company		
	Six months ended 30th June			Six months ended 30th June		
	2025 HK\$M	2024 HK\$M	Change	2025 HK\$M	2024 HK\$M	Change
Staff	9,382	7,770	+20.7%	7,444	6,212	+19.8%
Inflight service and passenger expenses	2,583	1,957	+32.0%	2,548	1,934	+31.7%
Landing, parking and route expenses	8,076	6,572	+22.9%	7,249	5,947	+21.9%
Fuel, including hedging losses/(gains)	14,654	14,160	+3.5%	13,390	12,938	+3.5%
Aircraft maintenance	4,295	4,047	+6.1%	3,679	3,510	+4.8%
Aircraft depreciation and rentals	4,589	4,929	-6.9%	4,257	4,538	-6.2%
Other depreciation, amortisation and rentals	1,401	1,256	+11.5%	1,041	912	+14.1%
Others	3,403	3,006	+13.2%	4,268	3,527	+21.0%
Operating expenses	48,383	43,697	+10.7%	43,876	39,518	+11.0%
Net finance charges	1,477	1,455	+1.5%	1,066	875	+21.8%
Total operating expenses	49,860	45,152	+10.4%	44,942	40,393	+11.3%

- The Group's and the Company's total operating expenses increased by 10.4% and 11.3% respectively.
- The cost per ATK (with fuel) of the Company decreased from HK\$3.42 to HK\$3.28, a decrease of 4.1%.
- The cost per ATK (without fuel) of the Company decreased from HK\$2.32 to HK\$2.30, a decrease of 0.9%.

Operating Results Analysis

Six months ended 30th June			
	2025 HK\$M	2024 HK\$M	Change
The Company's profit before non-recurring items and taxation	4,776	4,391	+8.8%
Taxation	(746)	(519)	+43.7%
The Company's profit after taxation and before non-recurring items	4,030	3,872	+4.1%
Subsidiaries' results	(198)	(26)	+661.5%
The Company and subsidiaries' profit after taxation and before non-recurring items	3,832	3,846	-0.4%
Share of losses from associates	(181)	(342)	-47.1%
Underlying profit attributable to the shareholders of the Group (note a)	3,651	3,504	+4.2%
Gains on deemed partial disposal of associates (note b)	–	90	-100.0%
Net reversal of impairment	–	19	-100.0%
Profit attributable to the shareholders of the Group	3,651	3,613	+1.1%

Notes:

(a) The underlying profit attributable to the shareholders of the Cathay Group excludes non-recurring items.

(b) Please refer to note 4 of the Condensed Financial Statements for details.

The movement in the Company's profit before non-recurring items can be analysed as follows:

	HK\$M	
The Company's 2024 interim profit before non-recurring items and taxation	4,391	
Increase of revenue:		
– Passenger and cargo revenue	4,430	– Passenger revenue increased as a result of increase in capacity and traffic, partially offset by a 12.3% reduction in yield. – Cargo revenue increased due to a 5.9% increase in cargo traffic. This was slightly offset by a 3.4% decrease in yield.
– Other services and recoveries	504	– Increase due to higher passenger volumes and more mileage sales.
Increase of costs:		
– Staff	(1,232)	– Increased due to higher capacity operated and more headcount.
– Inflight service and passenger expenses	(614)	– Increased on higher passenger volumes.
– Landing, parking and route expenses	(1,302)	– Increased on operating additional capacity.
– Fuel, including hedging losses/(gains)	(452)	– Increased fuel costs were mainly due to higher fuel consumption, partially offset by lower average fuel price.
– Aircraft maintenance	(169)	– Higher due to increased aircraft flying hours.
– Owning the assets (includes aircraft and other depreciation, rentals and net finance charges)	(39)	– Impact of depreciation and interest rate.
– Others	(741)	– Higher on increased operations.
The Company's 2025 interim profit before non-recurring items and taxation	4,776	

Fuel Expenditure and Hedging

A breakdown of the Group's fuel cost is shown below:

	Six months ended 30th June	
	2025 HK\$M	2024 HK\$M
Gross fuel cost	14,436	14,221
Fuel hedging losses/(gains)	218	(61)
Net fuel cost	14,654	14,160

Fuel costs increased due to a 19.0% increase in consumption, slightly offset by 14.3% decrease in the average into-plane fuel price.

Financial Position

Financial position as at 30th June 2025. The comparative period references 31st December 2024.

- Additions to property, plant and equipment during the six months period to 30th June 2025 were HK\$3,759 million, comprising HK\$2,749 million in respect of aircraft and related equipment, HK\$746 million in respect of land and buildings and HK\$264 million in respect of other equipment.
- Borrowings (being loans and other borrowings, and lease liabilities) decreased by 4.7% to HK\$65,254 million. Excluding leases without asset transfer components, borrowings decreased by 6.8% to HK\$53,732 million, which are fully repayable by 2035, with 40% at fixed rates of interest after taking into account derivative transactions. Borrowings are predominately denominated in United States dollars and Hong Kong dollars and the maturity profile of these borrowings has not changed materially from the information set out in the 2024 Annual Report.
- Available unrestricted liquidity at 30th June 2025 totalled HK\$21,504 million, comprising liquid funds of HK\$8,912 million and committed undrawn facilities of HK\$12,595 million, less pledged funds of HK\$3 million. Liquid funds are predominately denominated in United States dollars and Hong Kong dollars.
- Net borrowings (after deducting liquid funds) decreased by 2.8% to HK\$56,342 million. Excluding leases without asset transfer components, net borrowings decreased by 4.8% to HK\$44,820 million.
- Funds attributable to the shareholders of the Cathay Group decreased by 1.6% to HK\$51,654 million. This was due to the Group's attributable profit for the period of HK\$3,651 million, offset by decrease in other comprehensive income of HK\$1,342 million and dividend distributed to ordinary shareholders of HK\$3,155 million.
- Excluding leases without asset transfer components, the net debt/equity ratio decreased from 0.90 times to 0.87 times (against borrowing covenants of 2.0). Taking into account the effect of adopting HKFRS 16 on net borrowings, the net debt/equity ratio decreased from 1.10 times to 1.09 times.
- The Group's policies in relation to financial risk management including the management of currency, interest rate and fuel price exposures and the use of financial instruments to hedge these exposures are set out in the 2024 Annual Report.

REVIEW REPORT

To the Board of Directors of Cathay Pacific Airways Limited

(Incorporated in Hong Kong with limited liability)



Introduction

We have reviewed the interim financial report set out on pages 28 to 45, which comprises the consolidated statement of financial position of Cathay Pacific Airways Limited (the "Company") and its subsidiaries (together the "Group") as of 30th June 2025 and the related consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six month period then ended, and explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, as issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30th June 2025 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

6th August 2025

CONDENSED FINANCIAL STATEMENTS

Consolidated Statement of Profit or Loss

for the six months ended 30th June 2025 – Unaudited

	Note	2025 HK\$M	2024 HK\$M	2025 US\$M	2024 US\$M
Revenue					
Passenger services		37,212	33,004	4,771	4,231
Cargo services		12,761	12,610	1,636	1,617
Other services and recoveries		4,336	3,990	556	512
Total revenue		54,309	49,604	6,963	6,360
Expenses					
Staff		(9,382)	(7,770)	(1,203)	(996)
Inflight service and passenger expenses		(2,583)	(1,957)	(331)	(251)
Landing, parking and route expenses		(8,076)	(6,572)	(1,035)	(843)
Fuel, including hedging (losses)/gains		(14,654)	(14,160)	(1,879)	(1,815)
Aircraft maintenance		(4,295)	(4,047)	(551)	(519)
Aircraft depreciation and rentals		(4,589)	(4,929)	(588)	(632)
Other depreciation, amortisation and rentals		(1,401)	(1,256)	(180)	(161)
Others		(3,403)	(3,006)	(436)	(385)
Operating expenses		(48,383)	(43,697)	(6,203)	(5,602)
Operating profit before non-recurring items		5,926	5,907	760	758
Gains on deemed partial disposal of associates	4	–	90	–	12
Net reversal of impairment	5,9	–	19	–	2
Operating profit	5	5,926	6,016	760	772
Finance charges		(1,693)	(1,939)	(218)	(249)
Finance income		216	484	28	62
Net finance charges	6	(1,477)	(1,455)	(190)	(187)
Share of losses of associates		(128)	(320)	(16)	(41)
Profit before taxation		4,321	4,241	554	544
Taxation	7	(670)	(628)	(86)	(81)
Profit for the period		3,651	3,613	468	463
Profit for the period attributable to					
Ordinary shareholders of the Cathay Group		3,651	3,372	468	432
Preference shareholder of the Cathay Group		–	241	–	31
Non-controlling interests		–	–	–	–
Profit for the period		3,651	3,613	468	463
Underlying profit attributable to shareholders of the Cathay Group*		3,651	3,504	468	449
Earnings per ordinary share					
Basic	8	56.7¢	52.4¢	7.3¢	6.7¢
Diluted	8	54.8¢	47.0¢	7.0¢	6.0¢

* The underlying profit was calculated excluding non-recurring items, which included deemed partial disposal gains of nil (2024: HK\$90 million) and a total of nil (2024: HK\$19 million) in net reversal of impairment for the six months ended 30th June 2025.

The Condensed Financial Statements are prepared and presented in HK\$, the functional currency of the Company. The US\$ figures are shown only as supplementary information and are translated at US\$1:HK\$7.8.

The notes on pages 33 to 45 form part of these Condensed Financial Statements.

Consolidated Statement of Other Comprehensive Income

for the six months ended 30th June 2025 – Unaudited

	2025 HK\$M	2024 HK\$M	2025 US\$M	2024 US\$M
Profit for the period	3,651	3,613	468	463
Other comprehensive income				
Items that will or may be reclassified subsequently to profit or loss:				
Cash flow hedges				
– (losses)/gains recognised during the period	(2,148)	1,789	(275)	229
– losses/(gains) transferred to profit or loss	106	(426)	14	(55)
– deferred taxation asset/(liability)	213	(130)	27	(16)
Share of other comprehensive income of associates				
– recognised during the period	(24)	(68)	(3)	(9)
Exchange differences on translation of foreign operations				
– gains/(losses) recognised during the period	513	(383)	66	(49)
– reclassified to profit or loss upon deemed partial disposal	–	(4)	–	(1)
Item that will not be reclassified subsequently to profit or loss:				
Defined benefit plans				
– remeasurement losses recognised during the period	(2)	(1)	–	–
Other comprehensive income for the period, net of taxation	(1,342)	777	(171)	99
Total comprehensive income for the period	2,309	4,390	297	562
Total comprehensive income attributable to				
Ordinary shareholders of the Cathay Group	2,309	4,149	297	531
Preference shareholder of the Cathay Group	–	241	–	31
Non-controlling interests	–	–	–	–
	2,309	4,390	297	562

The Condensed Financial Statements are prepared and presented in HK\$, the functional currency of the Company. The US\$ figures are shown only as supplementary information and are translated at US\$1:HK\$7.8.

The notes on pages 33 to 45 form part of these Condensed Financial Statements.

Consolidated Statement of Financial Position

at 30th June 2025 - Unaudited

	Note	30th June 2025 HK\$M	31st December 2024 HK\$M	30th June 2025 US\$M	31st December 2024 US\$M
ASSETS AND LIABILITIES					
Non-current assets and liabilities					
Property, plant and equipment	9	116,085	116,457	14,883	14,930
Intangible assets	10	14,375	14,420	1,843	1,849
Investments in associates	11	16,497	16,371	2,115	2,099
Other long-term receivables and investments		3,558	3,598	456	461
Deferred tax assets		1,367	1,152	175	148
		151,882	151,998	19,472	19,487
Interest-bearing liabilities	12	(53,710)	(56,849)	(6,886)	(7,288)
Other long-term payables	13	(3,525)	(3,462)	(452)	(444)
Other long-term contract liabilities		(174)	(197)	(22)	(25)
Deferred tax liabilities		(8,382)	(7,990)	(1,075)	(1,024)
		(65,791)	(68,498)	(8,435)	(8,781)
Net non-current assets		86,091	83,500	11,037	10,706
Current assets and liabilities					
Stock		1,613	1,386	207	178
Trade and other receivables	14	7,895	7,326	1,012	939
Liquid funds	15	8,912	10,534	1,143	1,351
		18,420	19,246	2,362	2,468
Interest-bearing liabilities	12	(11,544)	(11,626)	(1,480)	(1,492)
Trade and other payables	16	(18,503)	(18,477)	(2,372)	(2,369)
Contract liabilities		(20,906)	(18,365)	(2,680)	(2,354)
Taxation		(1,897)	(1,771)	(243)	(227)
		(52,850)	(50,239)	(6,775)	(6,442)
Net current liabilities		(34,430)	(30,993)	(4,413)	(3,974)
Total assets less current liabilities		117,452	121,005	15,059	15,513
Net assets		51,661	52,507	6,624	6,732
CAPITAL AND RESERVES					
Share capital	17	28,841	28,841	3,698	3,698
Reserves		22,813	23,659	2,925	3,033
Funds attributable to the shareholders of the Cathay Group		51,654	52,500	6,623	6,731
Non-controlling interests		7	7	1	1
Total equity		51,661	52,507	6,624	6,732

The Condensed Financial Statements are prepared and presented in HK\$, the functional currency of the Company. The US\$ figures are shown only as supplementary information and are translated at US\$1:HK\$7.8.

The notes on pages 33 to 45 form part of these Condensed Financial Statements.

Consolidated Statement of Cash Flows

for the six months ended 30th June 2025 - Unaudited

	2025 HK\$M	2024 HK\$M	2025 US\$M	2024 US\$M
Operating activities				
Cash generated from operations	12,615	12,140	1,617	1,556
Interest received	144	271	18	35
Interest paid	(1,446)	(1,383)	(185)	(177)
Tax paid	(160)	(415)	(21)	(53)
Net cash inflow from operating activities	11,153	10,613	1,429	1,361
Investing activities				
Net increase in liquid funds other than cash and cash equivalents	(375)	(1,394)	(48)	(179)
Proceeds from sales of property, plant and equipment	20	151	3	19
Net (increase)/decrease in other long-term receivables and investments	(6)	24	(1)	3
Payments for property, plant and equipment and intangible assets	(4,094)	(2,907)	(525)	(373)
Dividends received	174	81	22	10
Repayment from/(loan to) associates	14	(37)	2	(5)
Net cash outflow from investing activities	(4,267)	(4,082)	(547)	(525)
Financing activities				
New financing	6,572	4,312	843	553
Loan and principal elements of lease payments	(12,547)	(6,079)	(1,609)	(779)
Dividends paid – ordinary shares	(3,155)	(2,768)	(404)	(355)
Dividends paid – preference shares	–	(244)	–	(31)
Net cash outflow from financing activities	(9,130)	(4,779)	(1,170)	(612)
Net (decrease)/increase in cash and cash equivalents	(2,244)	1,752	(288)	224
Cash and cash equivalents at 1st January	5,444	7,894	698	1,012
Effect of exchange differences	121	(25)	16	(3)
Cash and cash equivalents at 30th June	3,321	9,621	426	1,233

The Condensed Financial Statements are prepared and presented in HK\$, the functional currency of the Company. The US\$ figures are shown only as supplementary information and are translated at US\$1:HK\$7.8.

The notes on pages 33 to 45 form part of these Condensed Financial Statements.

Consolidated Statement of Changes in Equity

for the six months ended 30th June 2025 – Unaudited

	Attributable to the shareholders of the Cathay Group									
	Share capital HK\$M	Preference shares reserve HK\$M	Convertible bond reserve HK\$M	Retained profit HK\$M	Investment revaluation reserve (non-recycling) HK\$M	Cash flow hedge reserve HK\$M	Others HK\$M	Total HK\$M	Non-controlling interests HK\$M	Total equity HK\$M
At 1st January 2025	28,841	–	169	26,437	(164)	628	(3,411)	52,500	7	52,507
Changes in equity for the six months ended 30th June 2025:										
Profit for the period	–	–	–	3,651	–	–	–	3,651	–	3,651
Other comprehensive income	–	–	–	(2)	–	(1,829)	489	(1,342)	–	(1,342)
Total comprehensive income for the period	–	–	–	3,649	–	(1,829)	489	2,309	–	2,309
2024 second interim dividend	–	–	–	(3,155)	–	–	–	(3,155)	–	(3,155)
At 30th June 2025	28,841	–	169	26,931	(164)	(1,201)	(2,922)	51,654	7	51,661
At 1st January 2024	28,828	9,750	526	21,186	(159)	266	(371)	60,026	7	60,033
Changes in equity for the six months ended 30th June 2024:										
Profit for the period	–	–	–	3,613	–	–	–	3,613	–	3,613
Other comprehensive income	–	–	–	(1)	–	1,233	(455)	777	–	777
Total comprehensive income for the period	–	–	–	3,612	–	1,233	(455)	4,390	–	4,390
Convertible bond conversion	2	–	–	–	–	–	–	2	–	2
2023 interim dividend	–	–	–	(2,768)	–	–	–	(2,768)	–	(2,768)
Dividend – preference shares	–	–	–	(244)	–	–	–	(244)	–	(244)
At 30th June 2024	28,830	9,750	526	21,786	(159)	1,499	(826)	61,406	7	61,413

The notes on pages 33 to 45 form part of these Condensed Financial Statements.

Notes to the Condensed Financial Statements

1. Basis of preparation and accounting policies

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standards ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 6th August 2025.

The financial information relating to the year ended 31st December 2024 that is included in this document as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements.

The non-statutory accounts (within the meaning of section 436 of the Companies Ordinance (Cap. 622 of the laws of Hong Kong) (the "Ordinance")) in this document are not specified financial statements (within such meaning). The specified financial statements for the year ended 31st December 2024 have been delivered to the Registrar of Companies in Hong Kong in accordance with sections 662(3) and 664 of the Ordinance. An auditor's report has been prepared on those specified financial statements. That report was not qualified or otherwise modified, did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the report and did not contain a statement under section 406(2), 407(2) or 407(3) of the Ordinance.

The accounting policies, methods of computation and presentation used in the preparation of the condensed financial statements for the six months ended 30th June 2025 are consistent with those described in the annual financial statements for the year ended 31st December 2024 except for changes in accounting policies in note 2 below.

2. Changes in accounting policies

The Group has applied the following amended HKFRS Accounting Standards ("HKFRSs") issued by the HKICPA to this interim financial report for the current accounting period:

Amendments to HKAS 21 "The effects of changes in foreign exchange rates: Lack of exchangeability"

The amended HKFRSs do not have a material impact on these Condensed Financial Statements and accounting policies. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

CONDENSED FINANCIAL STATEMENTS
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

3. Segment information

(a) Segment results

Six months ended 30th June 2025						
	The Company* HK\$M	HK Express HK\$M	Air Hong Kong HK\$M	Airline services HK\$M	Associates HK\$M	Total HK\$M
Profit or loss						
Sales to external customers	48,986	3,171	1,595	557		54,309
Inter-segment sales	732	–	5	2,288		3,025
Segment revenue	49,718	3,171	1,600	2,845		57,334
Segment profit/(loss)	5,842	(524)	474	134		5,926
Share of losses of associates	–	–	–	–	(128)	(128)
Profit/(loss) before net finance charges and taxation	5,842	(524)	474	134	(128)	5,798
Corporate items:						
Net finance charges						(1,477)
Taxation						(670)
Profit for the period						3,651
Non-controlling interests						–
Profit attributable to the shareholders of the Cathay Group						3,651

Six months ended 30th June 2024						
	The Company* HK\$M	HK Express HK\$M	Air Hong Kong HK\$M	Airline services HK\$M	Associates HK\$M	Total HK\$M
Profit or loss						
Sales to external customers	44,224	3,175	1,699	506		49,604
Inter-segment sales	560	–	4	1,838		2,402
Segment revenue	44,784	3,175	1,703	2,344		52,006
Segment profit, before non-recurring items	5,266	66	488	87		5,907
Gain on deemed partial disposal of an associate	90	–	–	–		90
Net reversal of impairment	19	–	–	–		19
Segment profit	5,375	66	488	87		6,016
Share of losses of associates	–	–	–	–	(320)	(320)
Profit/(loss) before net finance charges and taxation	5,375	66	488	87	(320)	5,696
Corporate items:						
Net finance charges						(1,455)
Taxation						(628)
Profit for the period						3,613
Non-controlling interests						–
Profit attributable to the shareholders of the Cathay Group						3,613

* These amounts are sub-consolidated with insignificant financial results of certain subsidiaries.

3. Segment information (continued)

- (i) The Company provides full-service international passenger and cargo air transportation. Management considers that there is no reasonable and complete basis for allocating operating results fully between passenger and cargo operations. Accordingly these operations are not disclosed as separate business segments.
- (ii) HK Express is a low cost passenger carrier offering scheduled services within Asia.
- (iii) Air Hong Kong provides express cargo air transportation offering scheduled services within Asia.
- (iv) Airline services represents our supporting airline operations including catering, cargo terminal operations, ground handling services and commercial laundry operations.
- (v) Associates represents the share of results from associates held by the Group under the equity method.

The composition of reportable segments of the Group is determined based on the nature of the business. Segment information is reported in a manner consistent with the internal financial reports provided to the Executive Directors for making strategic decisions. As the Executive Directors evaluates each segment on earnings before interest and tax ("EBIT") in 2025, segment results are now presented on EBIT basis. Prior-year presentation has been restated to conform with this revised presentation.

Inter-segment sales are based on prices set on an arm's length basis.

(b) Geographical information

	Six months ended 30th June	
	2025 HK\$M	2024 HK\$M
Revenue by origin of sale:		
North Asia		
– Chinese Mainland, Hong Kong and Taiwan	30,078	29,235
– Japan and Korea	2,151	2,019
Americas	7,934	7,186
Southeast Asia and Oceania	7,024	5,540
Europe	4,852	3,892
South Asia, Middle East and Africa	2,270	1,732
	54,309	49,604

A geographic analysis of segment assets is not disclosed for the reasons set out in the 2024 Annual Report.

4. Gains on deemed partial disposal of associates

Air China

On 7th February 2024, the Group's interest in Air China was diluted from 16.26% to 15.87% as a result of Air China issuing 393 million new H shares to a specific investor with proceeds of the issuance totalling HK\$2 billion.

A gain on this deemed partial disposal of HK\$ 90 million was recorded for the six months ended 30th June 2024, principally reflecting the change in the Group's share of net assets in Air China immediately before and after the share issuance.

Air China Cargo

On 7th February 2025, Air China Cargo exercised its over-allotment right after being listed in December 2024. As a result, the Group's ownership was diluted from 21.36% to 21.01%. This financial impact is immaterial to the Group.

5. Operating profit

	Six months ended 30th June	
	2025 HK\$M	2024 HK\$M
Operating profit has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment		
– right-of-use assets	1,690	1,910
– owned	3,709	3,762
Amortisation of intangible assets	332	286
(Reversal of) impairment on non-financial assets		
– property, plant and equipment	–	(46)
– investments in associates	–	27
Expenses relating to short-term leases and leases of low-value assets	6	8
Gain on disposal of property, plant and equipment, net	(2)	(51)
Cost of stock expensed	934	803
Exchange differences, net	97	(13)
Auditors' remuneration	8	8
Government grants	(87)	(147)
Dividend income from unlisted equity investments	(141)	(66)

6. Net finance charges

	Six months ended 30th June	
	2025 HK\$M	2024 HK\$M
Net interest charges comprise:		
– lease liabilities stated at amortised cost	667	733
– bank loans and overdrafts		
– wholly repayable within five years	421	453
– not wholly repayable within five years	234	260
– other borrowings		
– wholly repayable within five years	222	325
– not wholly repayable within five years	149	168
	1,693	1,939
Income from liquid funds:		
– funds with investment managers and other liquid investments at fair value through profit or loss	(88)	(189)
– bank deposits and others	(116)	(257)
	(204)	(446)
Fair value change:		
– gains on financial derivatives	(12)	(38)
	1,477	1,455

Finance income and charges relating to defeasance arrangements have been netted off in the above figures.

7. Taxation

	Six months ended 30th June	
	2025 HK\$M	2024 HK\$M
Current tax expenses		
– Hong Kong profits tax	210	77
– overseas tax	112	109
– over provisions for prior years	(68)	(29)
Deferred tax expense		
– origination and reversal of temporary differences	416	471
	670	628

Hong Kong profits tax is calculated at 16.5% (2024: 16.5%) on the estimated assessable profits for the period. Overseas tax is calculated at rates of tax applicable in countries in which the Group is assessable for tax. Tax provisions are reviewed regularly to take into account changes in legislation, practice and the status of negotiations with tax authorities (see note 20(c) to the Condensed Financial Statements).

The Group is subject to the Organisation for Economic Co-operation and Development (OECD) Global Anti-Base Erosion Model Rules (Pillar Two model rules) for global minimum tax reform. Hong Kong has enacted the legislation for Pillar Two effective from 1st January 2025. Based on the Group's current assessment and quantification, the estimated exposure is no more than HK\$150 million for the six months ended 30th June 2025. However, some degree of uncertainty remains, as the OECD's Inclusive Framework on Pillar Two has indicated that further guidance on Substance-Based Income Exclusion rules for assets and employees is forthcoming.

The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

8. Earnings per ordinary share

	2025			2024		
	Profit ^(a) HK\$M	Weighted average number of ordinary shares	Per share amount HK cents	Profit ^(a) HK\$M	Weighted average number of ordinary shares	Per share amount HK cents
Basic earnings per ordinary share	3,651	6,439,409,250	56.7	3,372	6,437,965,279	52.4
Effect of dilutive potential ordinary shares ^(b)						
– Deemed issue of ordinary shares from the exercise of warrants	–	–		–	193,817,786	
– Convertible bonds and its after tax effect of effective interest	32	279,668,493		117	785,699,334	
Diluted earnings per ordinary share	3,683	6,719,077,743	54.8	3,489	7,417,482,399	47.0

(a) The amounts represent the profit attributable to the ordinary shareholders of the Cathay Group, which is the profit for the period after non-controlling interests and dividends attributable to the holder of the cumulative preference shares classified as equity.

(b) The Company's convertible bonds as at 30th June 2025 have a dilutive effect to the earnings per ordinary share. The dilutive impact for the period ended 30th June 2025 is presented above. Please refer to note 17 to the Condensed Financial Statements for the background and details of convertible bonds.

9. Property, plant and equipment

	Aircraft and related equipment		Other equipment		Land and buildings		Total HK\$M
	Owned HK\$M	Right-of-use assets HK\$M	Owned HK\$M	Right-of-use assets HK\$M	Owned HK\$M	Right-of-use assets HK\$M	
Cost							
At 1st January 2025	167,745	42,833	5,568	232	15,528	9,555	241,461
Additions	2,743	6	264	–	214	532	3,759
Disposals	(209)	(1,573)	(27)	(103)	–	(96)	(2,008)
Transfers	1,302	(1,302)	(10)	–	10	–	–
Other right-of-use asset adjustments	–	1,500	–	–	–	106	1,606
At 30th June 2025	171,581	41,464	5,795	129	15,752	10,097	244,818
Accumulated depreciation and impairment							
At 1st January 2025	88,908	16,105	4,429	160	10,192	5,210	125,004
Charge for the period	3,294	1,279	103	14	312	397	5,399
Disposals	(139)	(1,326)	(27)	(82)	–	(96)	(1,670)
Transfers	693	(693)	–	–	–	–	–
At 30th June 2025	92,756	15,365	4,505	92	10,504	5,511	128,733
Net book value							
At 30th June 2025	78,825	26,099	1,290	37	5,248	4,586	116,085
At 31st December 2024	78,837	26,728	1,139	72	5,336	4,345	116,457

Reversal of impairment of HK\$nil million (2024: HK\$46 million) under the Company was relating to nil (2024: one) previously impaired aircraft returning to service.

10. Intangible assets

	Goodwill HK\$M	Computer software HK\$M	Others HK\$M	Total – Intangible assets HK\$M	Prepayments HK\$M	Total – Intangible assets and related prepayments HK\$M
Cost						
At 1st January 2025	11,654	9,521	39	21,214	30	21,244
Additions	–	290	–	290	–	290
Disposal	–	(4)	–	(4)	–	(4)
At 30th June 2025	11,654	9,807	39	21,500	30	21,530
Accumulated amortisation and impairment						
At 1st January 2025	39	6,732	39	6,810	14	6,824
Charge for the period	–	329	–	329	3	332
Disposal	–	(1)	–	(1)	–	(1)
At 30th June 2025	39	7,060	39	7,138	17	7,155
Net book value						
At 30th June 2025	11,615	2,747	–	14,362	13	14,375
At 31st December 2024	11,615	2,789	–	14,404	16	14,420

11. Investments in associates

	30th June 2025 HK\$M	31st December 2024 HK\$M
Share of net assets		
– listed in Hong Kong and Chinese Mainland	7,265	7,673
– listed in Chinese Mainland	5,807	5,489
– unlisted	818	662
Goodwill	2,671	2,597
	16,561	16,421
Less: impairment loss	(83)	(83)
	16,478	16,338
Loans due from associates	205	219
Less: share of post-acquisition losses that are in excess of cost of investment	(186)	(186)
	16,497	16,371

12. Interest-bearing liabilities

	30th June 2025 HK\$M	31st December 2024 HK\$M
Non-current liabilities:		
Loans and other borrowings	29,861	33,174
Lease liabilities	23,849	23,675
	53,710	56,849
Current liabilities:		
Loans and other borrowings	7,427	7,423
Lease liabilities	4,117	4,203
	11,544	11,626
Total borrowings	65,254	68,475
Liquid funds	(8,912)	(10,534)
Net borrowings	56,342	57,941

Included in lease liabilities, HK\$11,522 million (31st December 2024: HK\$10,844 million) pertains to leases without asset transfer components, and included in other borrowings, HK\$4,113 million (31st December 2024: HK\$4,646 million) relates to sale-and-leaseback financing arrangements without asset transfer at the end of contract term.

13. Other long-term payables

Other long-term payables include a maintenance provision for returning the aircraft to lessors under certain maintenance conditions, the long-term portion of derivative financial liabilities and other deferred liabilities.

14. Trade and other receivables

	30th June 2025 HK\$M	31st December 2024 HK\$M
Trade debtors, net of loss allowances	4,956	4,731
Derivative financial assets – current portion	133	505
Other receivables and prepayments	2,789	2,078
Due from associates and other related companies	17	12
	7,895	7,326

	30th June 2025 HK\$M	31st December 2024 HK\$M
Analysis of trade debtors (net of loss allowances) by invoice date:		
Within one month	4,788	4,241
One to three months	149	478
More than three months	19	12
	4,956	4,731

15. Liquid funds

	30th June 2025 HK\$M	31st December 2024 HK\$M
Cash and cash equivalents		
Short-term deposits and bank balances	3,321	5,444
Other liquid funds		
Short-term deposits maturing beyond three months when placed	1,821	1,446
Funds with investment managers		
– debt securities listed outside Hong Kong	3,767	3,257
– bank deposits	–	384
Other liquid investments		
– debt securities listed outside Hong Kong	3	3
Liquid funds	8,912	10,534

Other liquid investments are debt securities of HK\$3 million (31st December 2024: HK\$3 million) which are pledged as part of long-term financing arrangements. The arrangements provide that these deposits and debt securities must be maintained at specified levels for the duration of the financing.

Available unrestricted funds to the Group are as follows:

	30th June 2025 HK\$M	31st December 2024 HK\$M
Liquid funds	8,912	10,534
Less: amounts pledged as part of long-term financing		
– debt securities listed outside Hong Kong	(3)	(3)
Committed undrawn facilities	12,595	8,542
Available unrestricted liquidity to the Group	21,504	19,073

Committed undrawn facilities may be drawn at any time in either Hong Kong dollar or United States dollar.

16. Trade and other payables

	30th June 2025 HK\$M	31st December 2024 HK\$M
Trade creditors	7,597	7,480
Derivative financial liabilities – current portion	1,459	277
Other payables	8,784	9,935
Due to associates	282	334
Due to other related companies	381	451
	18,503	18,477

	30th June 2025 HK\$M	31st December 2024 HK\$M
Analysis of trade creditors by invoice date:		
Within one month	7,245	7,033
One to three months	290	384
More than three months	62	63
	7,597	7,480

17. Share capital

	30th June 2025		31st December 2024	
	Number of shares	HK\$M	Number of shares	HK\$M
Issued and fully paid				
Ordinary shares				
At 1st January	6,439,409,250	28,841	6,437,900,319	28,828
Conversion of bonds	–	–	1,508,931	13
At 30th June/31st December	6,439,409,250	28,841	6,439,409,250	28,841

Save as described below, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's ordinary shares (including sale of treasury shares) during the six months ended 30th June 2025. The Group has not adopted any share option scheme or share award scheme. At 30th June 2025, 6,439,409,250 ordinary shares were in issue (31st December 2024: 6,439,409,250 ordinary shares).

On 5th February 2021, Cathay Pacific Finance III Limited, a wholly-owned subsidiary of the Company, as the issuer and the Company as the guarantor completed the issuance of HK\$6,740 million guaranteed convertible bonds at a rate of 2.75%, with maturity in 2026 (the "Bonds"). The Bonds would be convertible at an initial conversion price of HK\$8.57 per ordinary share and convertible up to 786,464,410 ordinary shares of the Company. The Bonds are accounted for as compound financial instruments, with both a liability component and an equity component.

As a result of the declaration of dividends in previous financial years, the conversion price of the Bonds was adjusted to HK\$8.12, HK\$7.92 and HK\$7.55 per ordinary share with effect from 6th April 2024, 7th September 2024 and 4th April 2025 respectively.

On 13th May 2024 and 13th December 2024, 246,305 ordinary shares and 1,262,626 ordinary shares were issued at HK\$8.12 each and HK\$7.92 each respectively in the principal amount of HK\$2 million and HK\$10 million.

17. Share capital (continued)

On 14th November 2024, Cathay Pacific Finance III Limited as the Issuer and the Company entered into a Dealer Manager Agreement with dealers for the repurchase of the Bonds at HK\$9.3663 (the "Bonds Repurchase"). A total principal amount of HK\$6,722 million of the Bonds was outstanding, out of which HK\$4,558 million, representing 67.89% in aggregate principal amount of the Bonds, was repurchased, settled and cancelled by 2nd January 2025 under the Bonds Repurchase. After completion of the Bonds Repurchase, the outstanding principal amount of the Bonds is HK\$2,164 million and based on the latest conversion price of HK\$7.55 per ordinary share, the maximum number of ordinary shares upon full conversion of the outstanding Bonds to 286,622,516.

Details of issue of the Bonds, adjustment to the conversion price of the Bonds and Bonds Repurchase are set out in the Company's announcements.

18. Dividends

Dividends payable to ordinary shareholders attributable to the previous financial year are as follows:

	Six months ended 30th June	
	2025 HK\$M	2024 HK\$M
Interim dividend in respect of the previous financial year, approved and paid during the six months ended 30th June 2025, of HK49 cents per ordinary share (paid during the six months ended 30th June 2024: HK43 cents per ordinary share)	3,155	2,768

The Directors have declared a first interim dividend ("Interim Dividend") of HK20 cents per ordinary share for the year ending 31st December 2025. The Interim Dividend which totals HK\$1,288 million will be paid on 9th October 2025 to ordinary shareholders registered at the close of business on the record date, being Friday, 5th September 2025. Ordinary shares of the Company will be traded ex-dividend as from Wednesday, 3rd September 2025. The Interim Dividend was proposed after the end of the reporting period and therefore has not been recognised as a liability as at 30th June 2025.

The register of members will be closed on Friday, 5th September 2025, during which day no transfer of shares will be effected. In order to qualify for entitlement to the Interim Dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 4th September 2025.

19. Related party transactions

Material transactions between the Group and associates and other related parties which were carried out in the normal course of business on commercial terms are summarised below:

	Six months ended 30th June 2025		Six months ended 30th June 2024	
	Associates HK\$M	Other related parties HK\$M	Associates HK\$M	Other related parties HK\$M
Revenue	70	10	171	9
Aircraft maintenance	(489)	(1,254)	(581)	(1,039)
Other operating expenses	(208)	(321)	(189)	(249)
Dividend income	214	141	14	66
Finance income	10	–	2	–
Lease payments	–	(25)	–	(25)

Other related parties are companies under control of a company which has significant influence on the Group.

20. Capital commitments and contingencies

- (a) Outstanding capital commitments authorised at the end of the period but not provided for in the Condensed Financial Statements:

	30th June 2025 HK\$M	31st December 2024 HK\$M
Authorised and contracted for		
– aircraft and related equipment	96,580	95,966
– others	965	718
Authorised but not contracted for		
– aircraft and related equipment	17,514	18,429
– others	769	841
	115,828	115,954

- (b) Performance and financial guarantees outstanding at the end of the period:

	30th June 2025 HK\$M	31st December 2024 HK\$M
Associates	206	206

- (c) The Company operates in many jurisdictions and in certain of these there are disputes with the tax authorities. Provisions have been made to cover the expected outcome of the disputes to the extent that outcomes are likely and reliable estimates can be made. However, the final outcomes are subject to uncertainties and resulting liabilities may exceed provisions.
- (d) The Company remains the subject of antitrust proceedings in various jurisdictions. The proceedings are focused on issues relating to pricing and competition. The Company is represented by legal counsel in connection with these matters.

The proceedings and civil actions are ongoing and the outcomes are subject to uncertainties. The Company is not in a position to assess the full potential liabilities but makes provisions based on facts and circumstances in line with material accounting policy 22 in the 2024 Annual Report.

In November 2010, the European Commission issued a decision in its airfreight investigation finding that, amongst other things, the Company and a number of other international cargo carriers agreed cargo surcharge levels and that such agreements infringed European competition law. The European Commission imposed a fine of Euros 57.12 million on the Company. However, the European Commission's finding against the Company and the imposition of this fine was annulled by the General Court in December 2015 and the fine of Euros 57.12 million was refunded to the Company in February 2016. The European Commission issued a new decision against the Company and the other airlines involved in the case in March 2017. The same fine of Euros 57.12 million was imposed on the Company, which was paid by the Company in June 2017. The Company filed an appeal to the General Court against this decision, and on 30th March 2022 the General Court partially annulled the decision, and a refund of a portion of the fine, Euros 10 million, was paid to the Company in June 2022. The Company filed an appeal to the European Court of Justice ("ECJ") in early June 2022 and a final ECJ judgment is expected within the second half of 2025.

The Company is a defendant in a number of civil claims, including class litigation and third party contribution claims, in a number of countries including the Netherlands and Norway alleging violations of applicable competition laws arising from the Company's alleged conduct relating to its air cargo operations. The Company is represented by legal counsel and is defending these actions.

21. Financial risk management

(a) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values at 30th June 2025 and 31st December 2024 except for the following financial instruments, for which their carrying amounts and fair values are shown below:

	30th June 2025		31st December 2024	
	Carrying amount HK\$M	Fair value HK\$M	Carrying amount HK\$M	Fair value HK\$M
Loans and other borrowings	(37,288)	(39,329)	(40,597)	(42,396)

The fair value of these financial instruments are measured using valuation techniques in which all significant inputs are based on observable market data. The most significant inputs are market interest rates.

(b) Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at 30th June 2025 across three levels of the fair value hierarchy defined in HKFRS 13 "Fair Value Measurement" with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. Level 1 includes financial instruments with fair values measured using only unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes financial instruments with fair values measured using inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value has been determined based on quotes from market makers or discounted cash flow valuation techniques in which all significant inputs are based on observable market data. The most significant inputs are market interest rates, exchange rates and fuel price. Level 3 includes financial instruments with fair values measured using discounted cash flow valuation techniques in which any significant input is not based on observable market data.

	30th June 2025				31st December 2024			
	Level 1 HK\$M	Level 2 HK\$M	Level 3 HK\$M	Total HK\$M	Level 1 HK\$M	Level 2 HK\$M	Level 3 HK\$M	Total HK\$M
Recurring fair value measurement								
Assets								
Unlisted equity investments at fair value	–	–	870	870	–	–	870	870
Liquid funds								
– funds with investment managers	–	3,767	–	3,767	–	3,257	–	3,257
– other liquid investments	–	3	–	3	–	3	–	3
Derivative financial assets	–	162	–	162	–	629	–	629
	–	3,932	870	4,802	–	3,889	870	4,759
Liabilities								
Derivative financial liabilities	–	(1,901)	–	(1,901)	–	(460)	–	(460)
	–	(1,901)	–	(1,901)	–	(460)	–	(460)

There were no transfers between Level 1 and Level 2 or transfers into or out of Level 3 fair value hierarchy classifications.

21. Financial risk management (continued)

The fair value of the unlisted equity investments in Level 3 is determined using a discounted cash flow valuation technique. The significant unobservable input used in the fair value measurement is the discount rate. At 30th June 2025 and 31st December 2024, information about fair value measurements using significant unobservable inputs (Level 3) is as follows:

Significant unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value	Possible reasonable change	(Negative)/positive impact on fair value (HK\$M)
Unlisted equity investments				
Discount rate	2025: 8.0-11.0% (2024: 8.0-11.0%)	The higher the discount rate, the lower the fair value	2025: +/- 0.5% (2024: +/- 0.5%)	2025: (30)/33 (2024: (30)/33)

There was no movement during the six months ended 30th June 2025 and 2024 in the balance of Level 3 fair value measurements.

22. Events after the reporting period

Purchase of 14 Boeing 777-9 aircraft

On 6th August 2025, a wholly-owned subsidiary of the Company and The Boeing Company ("Boeing Company") entered into a supplemental agreement pursuant to which the wholly-owned subsidiary (i) exercised the purchase rights under the aircraft purchase agreement (which was dated 20th December 2013 entered into by the wholly-owned subsidiary and Boeing Company) to purchase 14 Boeing 777-9 aircraft; and (ii) secured the right to acquire up to seven additional Boeing 777-9 aircraft from Boeing Company.

Convertible bond conversion

On 5th August 2025, a conversion notice was received for the exercise of the conversion rights of the Bonds at the conversion price of HK\$7.55 per ordinary share in the principal amount of HK\$404 million by HSBC Nominees (Hong Kong) Limited. Following the allotment effective on or after 6th August 2025, the outstanding principal amount of the Bonds will be HK\$1,760 million.

INFORMATION PROVIDED IN ACCORDANCE WITH THE LISTING RULES

Corporate Governance

The Company complied with all the code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the reporting period covered by the interim report.

The Company has adopted a code of conduct regarding securities transactions by Directors (the "Securities Code") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Listing Rules. The Securities Code is available on the Company's website.

On specific enquiries made, all Directors of the Company have confirmed that, during the reporting period covered by the interim report, they have complied with the required standard set out in the Model Code and the Securities Code.

The 2025 interim results have been reviewed by the Audit Committee of the Company and by the external auditors.

Directors' Particulars

A change in the particulars of the Directors is set out as follows:

1. Sun Yuquan has ceased to be the Chairman and Director of China National Aviation Finance Co., Ltd. since April 2025.
2. Ronald Lam ceased to be a Director of Air China Cargo with effect from 18th June 2025.

Directors' Interests

At 30th June 2025, the register maintained under Section 352 of the Securities and Futures Ordinance ("SFO") showed that no Director or chief executive of the Company had any interest or short position, whether beneficial or non-beneficial, in the shares or underlying shares (including options) and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Substantial Shareholders

The register of interests in shares and short positions maintained under Section 336 of the SFO shows that at 30th June 2025 the Company had been notified of the following interests in the shares of the Company held by substantial shareholders and other persons:

	No. of ordinary shares	Percentage of voting shares (%)	Type of interest (Note)
Long position			
1. Air China	4,827,269,423	74.96	Attributable interest (a)
2. China National Aviation Holding Corporation Limited ("CNAHC")	4,827,269,423	74.96	Attributable interest (b)
3. Swire Pacific	4,827,269,423	74.96	Attributable interest (a)
4. John Swire & Sons Limited ("Swire")	4,827,269,423	74.96	Attributable interest (c)
5. Qatar Airways Group Q.C.S.C.	643,076,181	9.99	Beneficial interest (d)
6. HSBC Holdings plc	629,291,765	9.77	Interest in controlled corporation (e)
Short position			
1. HSBC Holdings plc	518,923,075	8.05	Interest in controlled corporation (e)

Note: At 30th June 2025:

- (a) Under Section 317 of the SFO, each of Air China, China National Aviation Company Limited ("CNAC") and Swire Pacific, being a party to the shareholders' agreement in relation to the Company dated 8th June 2006, was deemed to be interested in a total of 4,827,269,423 shares of the Company, comprising:
 - (i) 2,896,753,089 ordinary shares directly held by Swire Pacific;
 - (ii) 1,930,516,334 ordinary shares indirectly held by Air China and its subsidiaries CNAC, Most Known Investments Limited, Super Supreme Company Limited and Total Transform Group Limited, comprising the following ordinary shares held by their wholly owned subsidiaries: 472,248,545 ordinary shares held by Angel Paradise Ltd., 351,574,615 ordinary shares held by Custain Limited, 314,054,626 ordinary shares held by Easerich Investments Inc., 310,870,873 ordinary shares held by Grand Link Investments Holdings Ltd., 339,343,616 ordinary shares held by Motive Link Holdings Inc. and 142,424,059 ordinary shares held by Perfect Match Assets Holdings Ltd.
- (b) CNAHC was deemed to be interested in a total of 4,827,269,423 ordinary shares of the Company, in which its subsidiary Air China was deemed interested.
- (c) Swire and its wholly owned subsidiary John Swire & Sons (H.K.) Limited were deemed to be interested in a total of 4,827,269,423 ordinary shares of the Company by virtue of the Swire group being interested in 64.45% of the equity of Swire Pacific and controlling 70.97% of the voting rights attached to ordinary shares in Swire Pacific.
- (d) Qatar Airways Group Q.C.S.C. held a total of 643,076,181 ordinary shares of the Company as beneficial owner.
- (e) These ordinary shares were held by The Hongkong and Shanghai Banking Corporation Limited ("HSBC"), a corporation controlled by HSBC Holdings plc, as borrower under the Global Master Securities Lending Agreement ("GMSLA") dated 27th January 2021 and the Amendment Agreement to the GMSLA dated 20th November 2024 entered into between HSBC and Swire Pacific. The interests were disclosed based on the disclosure of interest filing made by HSBC Holdings plc on 2nd July 2025.

Disclaimer

This document may contain forward-looking statements that reflect the Company's beliefs, plans or expectations about the future or future events. These forward-looking statements are based on a number of assumptions, estimates and projections, and are therefore subject to inherent risks, uncertainties and other factors beyond the Company's control. The actual results or outcomes of events may differ materially and/or adversely due to a number of factors, including changes in the economies and industries in which the Group operates (in particular in Hong Kong and the Chinese Mainland), macroeconomic and geopolitical uncertainties, changes in the competitive environment, data quality, foreign exchange rates, interest rates and commodity prices, and the Group's ability to identify and manage risks to which it is subject. Nothing contained in these forward-looking statements is, or shall be, relied upon as any assurance or representation as to the future or as a representation or warranty otherwise. Neither the Company nor its directors, officers, employees, agents, affiliates, advisers or representatives assume any responsibility to update these forward-looking statements or to adapt them to future events or developments or to provide supplemental information in relation thereto or to correct any inaccuracies.

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